MOREPEN
The Joy Of Growing Together

ANNUAL REPORT 2025-26

BUILDING TODAY
TRANSFORMING TOMORROW

BUILDING TODAY
TRANSFORMING TOMORROW

Tomorrow is shaped by the choices we make today. At Morepen, this year marks a decisive step forward: strengthening our people, deepening our technologies, enhancing our processes and renewing our purpose.

Built on a legacy of trust, we continue to serve millions of families through APIs, formulations, OTC healthcare products and home diagnostics. Each business reflects the same belief: quality healthcare must be reliable, accessible and future-ready.

That foundation is now opening new possibilities. Morepen is widening its role in healthcare through investments in manufacturing capacity, innovation-led chemistry, digital health and long-duration global partnerships. As we scale capabilities and deepen relationships, every facility we strengthen, every molecule we develop, every product we deliver and every life we touch today becomes a catalyst for a healthier, stronger and more sustainable tomorrow.

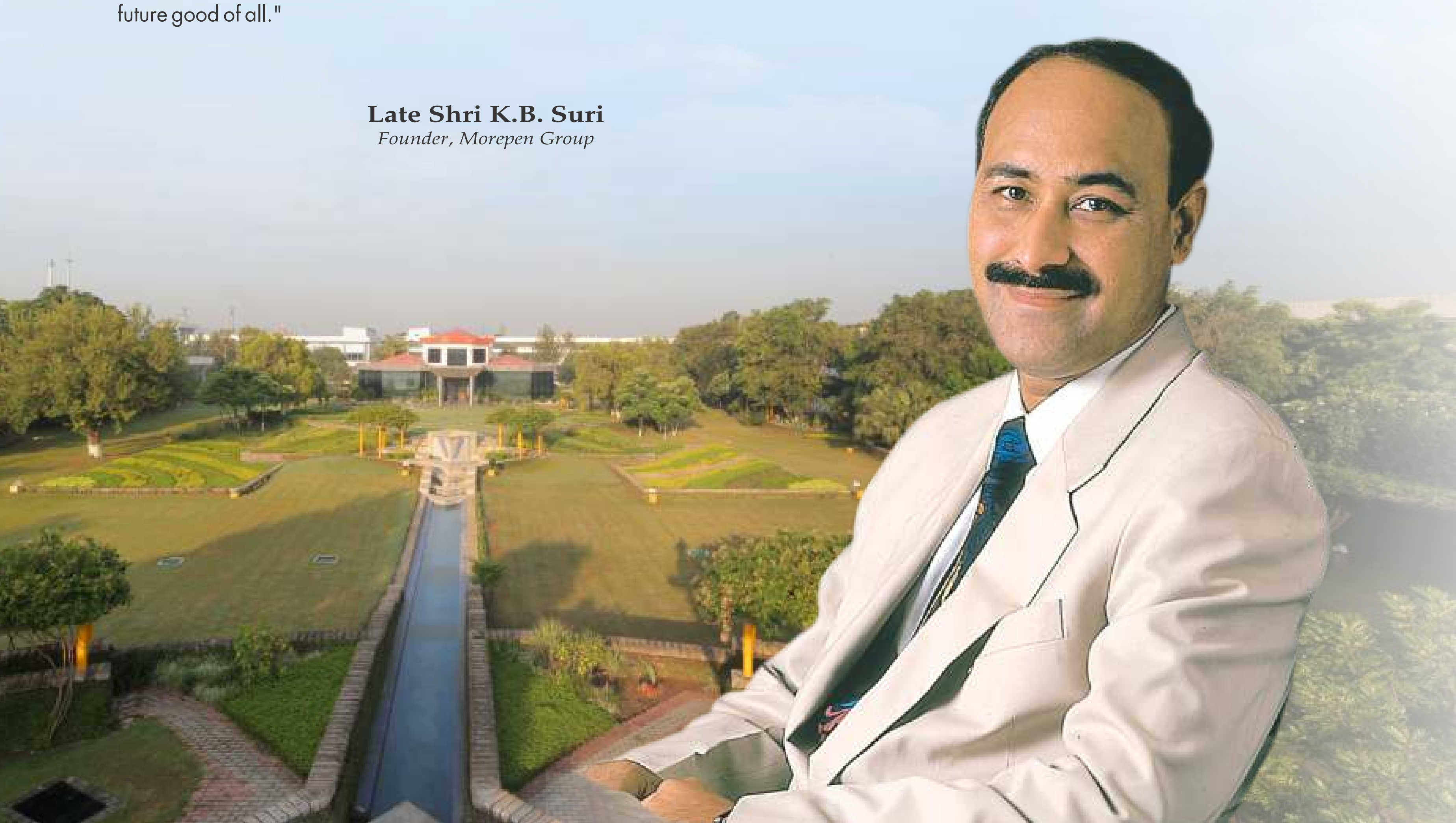
RESEARCH EXCELLENCE | INNOVATION FOR IMPACT | ADVANCED MANUFACTURING | TRUSTED CDMO PARTNER

"Every worthy endeavour begins with a clear goal, and Morepen stands testimony to the fact that strategic vision can be a game changer. Our dream of bringing wellness and spreading joy is now a living reality - one that continues to serve our customers, our workforce, our partners and our stakeholders. We have always set high standards for ourselves, and exceeding those expectations remains the task at hand.

I have always believed that today is the foundation of tomorrow. We are on the road to an exciting future. Our focus on quality has earned us the trust of discerning international markets. As we continue to explore possibilities beyond the brief, I can foresee a time when borders will become less limiting and Morepen will create new ground in healthcare.

Let the transformation take shape, and may it be for the future good of all."

Late Shri K.B. Suri
Founder, Morepen Group



CORPORATE INFORMATION

Chairman & Managing Director
Mr. Sushil Suri

Managing Director
Mr. Sanjay Suri

Independent Directors
Mr. Praveen Kumar Dutt
Mr. Ranjit Khattar
Mr. Sharad Jain
Mrs. (Dr.) Savita

Chief Financial Officer
Mr. Ajay Kumar Sharma

Company Secretary
Mr. Vipul Kumar Srivastava

Registered Office
Morepen Village, Nalagarh Road
Near Baddi, Distt. Solan
Himachal Pradesh - 173 205

Corporate Office
2nd Floor, Tower-C,
DLF Cyber Park, Udyog Vihar-III,
Sector-20, Gurugram, Haryana-122016

Statutory Auditors
M/s. S.P. Babuta & Associates
Chartered Accountants

Cost Auditors
M/s. Vijender Sharma & Co.
Cost Accountants

Secretarial Auditor
Mr. Praveen Dua
M/s. PD and Associates
Company Secretaries

Registrar & Share Transfer Agent
MAS Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area
Phase - II, New Delhi - 110 020

Listed at
National Stock Exchange of India Ltd.
BSE Limited

Depositories
National Securities Depository Limited
Central Depository Service (India) Ltd.

Banker
Qatar National Bank (Q.P.S.C.)

CONTENTS

From the Desk of the Chairman

"As we build today, we are creating the foundation for a stronger, more innovative and more future-ready Morepen."

We are living through transformative times. During the year, Morepen advanced its sustainable-growth agenda, strengthened milestone collaborations and deepened its engagement with international opportunities. As we build today, we are laying the foundation for a more rewarding tomorrow.

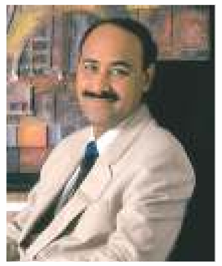
I am pleased to share that the Company secured a multi-year Contract Development and Manufacturing Organization (CDMO) mandate valued at approximately ₹825 Crore (USD 91 million) from a leading global pharmaceutical company. This engagement is one of the most significant single CDMO mandates in Morepen's history and reflects the confidence global customers place in our quality systems, regulatory track record and execution capabilities.

For Morepen, CDMO is not a departure from our API heritage; it is a natural extension of it. It enables us to convert our chemistry capabilities, manufacturing depth and compliance discipline into long-duration partnerships, greater revenue visibility and stronger long-term value creation. In the first three months of Financial Year 2026-27, the Company completed its first commercial dispatch of approximately ₹58 crore against this order.

During the year under review, Dr. Morepen Ltd. ceased to be a subsidiary with effect from 31st July 2025, impacting the comparability of consolidated financial results with the previous year. On a standalone basis, the Company registered growth of 8.39 percent for the year ended 31st March 2026.

The API business remained the largest contributor to the Company's revenues, while the Medical Devices business delivered a strong year-on-year growth of 20.13 percent, supported by sustained momentum across its core product lines. As we move forward, our focus is clear: strengthen the platform, deepen innovation, execute with discipline and continue building a future-ready Morepen.

The Journey of Growing Together



Late Shri K.B. Suri
Founder, Morepen Group

1985

MOREPEN
Company started by Founder Late Shri K. B. Suri

Started first API product Ampicillin

1992

IPO and listing on Stock Exchanges

R&D Lab for New Molecules

1999

USFDA Approval of Loratadine

Launched Diagnostic Division

2001

Dr. Morepen®

Launched OTC Brand

Dr. Morepen Acquired Brand Burnol

2003

Limca Book of Records

Limca Book of World Record for OTC

Raised GDRs in the International market

2010

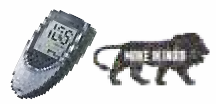
USFDA of Desloratadine

Launched Cardia Division for Diabetic and Cardiac products

2015

USFDA Approval Montelukast API

2016



Started in-house manufacturing of Gluco Meters at Baddi

Make In India programme

2018

Gluco meters and BP Monitors ranked among top three brands in India

USFDA Approval of Atorvastatin API

2019

DSIR

Launched APIs for many anti-diabetic molecules

Recognition of R&D centre at Baddi by Govt of India

2020

COVID-19

Launched over 20 products for Covid-19

Grant of ISO-13485 for Medical Devices manufacturing by BSI, UK

2021

Dr. Morepen®
Sputnik V

Launched exclusive online range of Dr. Morepen products

Tied up with RDIF for Manufacture of Sputnik Vaccine in India

2022

Anvisa Brazil approval (Masulkhana)

2023

USFDA (Fexofenadine) and

Pmda JAPAN

PMDA (Loratadine) Approval

2024

Anvisa Brazil approval (Baddi)

Launch of 360 degree Weight Management - Lightlife

Launched CDMO business

2025

WHO approval for Masulkhana site.

CDSCO written confirmation for Masulkhana and Baddi plants

2026

Secured a landmark ₹825 Crore Global CDMO Contract

Global Generics

Advancing quality APIs. Building innovation-led manufacturing.

Sanjay Suri
Managing Director

Morepen Laboratories Limited continues to strengthen its position as a manufacturer of high-quality Active Pharmaceutical Ingredients (APIs), with products supplied across diverse geographies and therapeutic categories. The Company is placing greater emphasis on a robust pipeline of new and innovative products to support sustainable long-term growth.

The Company's commitment to quality and adherence to the regulatory standards of globally recognised authorities, including the US Food and Drug Administration (USFDA), the European Directorate for the Quality of Medicines (EDQM), Korea Drug Master File (KDMF) and Japan Drug Master File (JDMF), have enabled it to enter the CDMO segment with credibility. During the year, the Company secured a long-term API supply contract with a global innovator, marking a significant milestone in its growth journey.

The API business continues to be the Company's largest business segment and remains the principal contributor to export revenues, accounting for nearly 70 percent of the API business. Europe's contribution to API exports increased to 44.43 percent from 31.09 percent in the previous financial year. The USA's share declined to 17.65 percent from 21.78 percent, while the combined contribution from APAC, LATAM and Africa stood at 37.92 percent, compared with 47.13 percent in the previous year. The domestic market's share increased to 29.26 percent from 27.86 percent.

The contribution of new molecules comprising Edoxaban, Linagliptin, Saxagliptin and Vonoprazan increased to ₹5,637.24 Lakhs from ₹2,554.80 Lakhs in the previous financial year, representing growth of 121 percent. Under the new product portfolio, the Company also added Bempedoic Acid, a lifestyle-disease molecule, which generated revenue of ₹1,668.88 Lakhs during the year.

MEE Plant of 200 KLD capacity commissioned in Feb. 2026

RO water plant of 300 KLD capacity for reuse in Utility cooling towers commissioned in May 2026

R&D, Molecule Pipeline and Regulatory Filings

Deepening the science base behind future growth

The Company has built a strong anti-diabetic API portfolio in the gliptin category, including Sitagliptin, Saxagliptin, Linagliptin and Vildagliptin. It has also developed a comprehensive gliflozin portfolio comprising Empagliflozin, Ertugliflozin L-pyroglutamic Acid, Dapagliflozin Propanediol and Amorphous Dapagliflozin.

Over the years, Morepen has expanded into several therapeutic areas, including anticoagulants such as Apixaban and Rivaroxaban; antidepressants such as Vortioxetine Hydrobromide and Brexpiprazole; antiplatelet drugs such as Ticagrelor; and anti-ulcerative therapies such as Vonoprazan Fumarate and Tegoprazan. The Company has also developed Resmetirom, a promising medication for the treatment of NASH/MASH.

During the year, the Company further strengthened its pipeline by developing several key molecules, including Cariprazine HCl, Cenobamate, Vibegron and Bilastine. It also commercialised new products such as Finerenone, Baricitinib, Tegoprazan and Lisdexamfetamine Dimesylate.

The R&D pipeline currently includes Upadacitinib, Nor-UDCA, Ozanimod HCl, Deucravacitinib, Pitolisant, Sparsentan, Mitapivat Sulphate and Seladelpar Lysine. These developments expand the Company's presence across arthritis, NASH, multiple sclerosis, psoriatic arthritis, sleep disorders, kidney-related diseases, anaemia and primary biliary cirrhosis.

Clean room area with filteration equipments commissioned during the year 25-26

During the year, the Company filed four USDMFs: Vortioxetine HBr Route II, Rupatadine Fumarate, Sitagliptin Phosphate Monohydrate and Bempedoic Acid. It also filed two CEP applications for Rupatadine Fumarate and Dapagliflozin Propylene Glycol Monohydrate; two CADIFA submissions to ANVISA, Brazil; three SAPHRA submissions in South Africa; and additional DMFs with Swissmedic, Korean MFDS, UK MHRA and Taiwan FDA.

With the establishment of its new oncology laboratory, the Company reached an advanced stage in the development of oncology molecules including Ruxolitinib, Ribociclib Succinate and Venetoclax. In technological advancement, the Company was granted one patent and filed four new patent applications during the year.

Technological advancement and patents

Indian patent granted:

- Process for the Preparation of Rupatadine Fumarate Form A - IN565646.

Indian patent application filed:

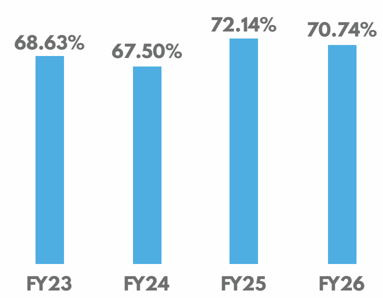
- Process for the Preparation of 3-Chlorobenzyl-3-pyridyl Ketone - IN202511065672.
- Process for the Preparation of Pure Intermediate of Bempedoic Acid - IN202511073298.
- Novel Polymorph of Resmetirom and Process for Its Preparation - IN202511100991.
- Process for the Preparation of Tegoprazan Polymorph - IN202511125200.

New API warehouse commissioned in Feb 2026 with 1500 pallets storage .

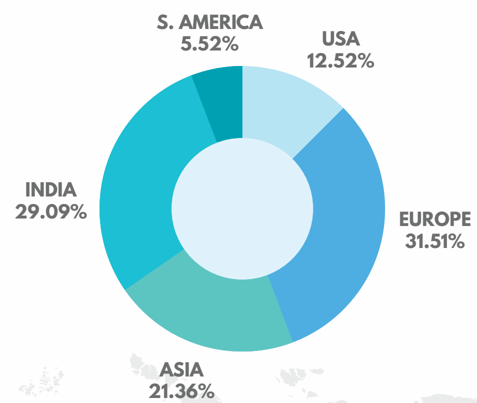
API Business

INCREASING FOCUS ON EXPORT

EXPORT SHARE (API)



CONTINENT-WISE SHARE



2.11%
Increase in Export Share in Last 3 Years

90
EXPORTING TO OVER 90 COUNTRIES

500+
TOP NOTCH CUSTOMERS WORLDWIDE

60%+
BUSINESS COMES FROM REPEAT CUSTOMERS

API Business

SELECTIVE PORTFOLIO

- ANTI ARTHRITIS products
- DIABETES care
- CNS agents
- CARDIAC care
- ANTI ALLERGY products
- ANTI ULCERATIVE products
- ANTI COAGULANT products
- ONCOLOGY portfolio
- ANTI PLATELETS products
- NASH/ MASH TREATMENT products
- CKD TREATMENT products

LIFESTYLE PRODUCTS FOR CHRONIC USE

API Business

MARKET LEADERSHIP

- 140 MT Loratadine
- 90 MT Montelukast
- 120 MT Fexofenadine
- 36 MT Dapagliflozin
- 60 MT Sitagliptin
- 24 MT Desloratadine
- 300 MT Atorvastatin
- 60 MT Rosuvastatin
- 24 MT Empagliflozin
- 150 MT Bempedoic Acid

WORLD'S LARGEST CAPACITIES

United States

Europe

Japan

Brazil

China

Korea

India WHO GMP

ISO 13485
(Med Devices)

Taiwan FDA

Canadian Authority

Kushal Suri
President-International Growth

New clean room area with
12 KL crystallizer

Contract Manufacturing and CDMO

From manufacturing scale to long-duration partnerships

Global pharmaceutical companies are increasingly consolidating supplier networks and partnering with compliant, scalable and reliable manufacturing platforms capable of long-term supply continuity. This shift is well served by Morepen's vertically integrated API capabilities, regulatory track record and operating scale.

The Company's CDMO programme has now moved from validation to larger, multi-year global opportunities built on quality, continuity and scale. Morepen is positioned to provide CDMO services for drug substances and finished drug products, while also offering analytical research support through both short-term engagements and long-duration collaborations.

Built on more than four decades of API expertise and regulatory credibility, Morepen's CDMO platform secured a multi-year Contract Development and Manufacturing Organization mandate valued at ₹825 Crore (USD 91 Million) from a leading global pharmaceutical company. This is a significant milestone in the Company's transition towards long-duration global manufacturing partnerships.

The first commercial dispatch, valued at approximately ₹50 Crore, has already been completed. The Company expects to scale the programme further, with additional supplies scheduled in subsequent phases. Continued capacity enhancement and technology investments are expected to support a stronger CDMO platform across additional customer and product requirements.

API - Small Molecules

REGULATORY STATUS

1997
Loratadine DMF

1998
USFDA Inspection Masulkhana Plant

2003
USFDA Inspection Masulkhana Plant

2007
USDMF Loratadine (HF/BF3 route)

2008
Pioglitazone registration in Iran

2009
- COS(EDQM) Loratadine (HF/BF3 route)
- Atorvastatin DMF approved in Russia
- Fexofenadine EDMF in Slovenia & Czech Republic
- Montelukast Sodium (IDL) in China

2010
- Atorvastatin DMF approved in Korea
- Rosuvastatin launched

2011
- Desloratadine USFDA regulatory inspection-facility approved.
- Desloratadine USDMF approved.
- Montelukast COS, Atorvastatin COS

2012
- Montelukast Registration in Russia
- Loratadine registration in Iran
- Montelukast DMF in Korea
- Fexofenadine registration in Iran
- Montelukast DMF in Ukraine approved.

2013
- Desloratadine approved in Russia
- Atorvastatin approved in Taiwan

2014
- Loratadine DMF in Mexico (HF/BF3 route)
- Desloratadine COS
- Sitagliptin DMF in Iran approved.

2015
- Loratadine DMF in Japan approved.
- Rosuvastatin DMF in Ukraine approved.
- TGA-Australia inspections approved.
- Montelukast CEP approved in Taiwan
- USFDA regulatory inpections
- Desloratadine approved in all European Countries
- Fexofenadine approved in Taiwan
- Desloratadine COS approved

2016
EUGMP CDSCO inspections in Masulkhana Plant

2017
- Fexofenadine COS (EDQM) approved.
- Rosuvastatin TDMF in Taiwan approved.
- Rosuvastatin COS (EDQM) approved.

2018
- USFDA Regulatory Inspections approval of Masulkhana & Baddi Plants
- Commercial Shipments of Montelukast to US started
- Rosuvastatin Amorphous COS approval
- Loratadine registration (IDL) in China
- Desloratadine approval (IDL) in China
- Fexofenadine registration(IDL) in China

2019
- MFDS Inspections in Korea
- Recognition of Morepen, Baddi R&D Centre by Government of India.

2020
- Sitagliptin CEP (EDQM) Approved
- Dapagliflozin Registered in US
- Empagliflozin Registered in China
- Sitagliptin Registered in US

2021
- Arorvastatin Calcium Approved in Japan
- Dapagliflozin Registered in China
- Saxagliptin Registered in US
- Apixaban Registered in US
- Lorotadine Renewal from PMDA
- Edoxaban Registered in US

2022
- Ertugliflozin L-pyroglutamic Acid, Vonoprazan Fumarate registered in US.
- Rosuvastatin Calcium (Route-III) registered for CEP.
- ASMFs registered for Apixaban, Linagliptin, Saxagliptin & Anhydrous Sitagliptin Phosphate in various European countries.
- Loratadine, Amorphous Dapagliflozin DMFs registered in Canada.
- Loratadine registered with CADIFA (Brazil).

2023
- DMFs registered for Dapagliflozin, Sitagliptin Phosphate Monohydrate, Fexofenadine in South Korea.
- Atorvastatin registered with CADIFA (Brazil).
- ASMF registered for Linagliptin in 23 European countries.
- DMF filed for Edoxaban Tosylate Monohydrate with Health Canada & 10 European Countries.
- ASMF registered for Vortioxetine HBr for 5 European countries.

2024
- Ticagrelor, Brexpiperazole registered in US.
- Sitagliptin Phosphate & Rosuvastatin calcium registered for CEP.
- Dapagliflozin (Amorphous, Propanediol, Propanediol Monohydrate) DMF were registered in across Europe, Africa, and Asia.
- ASMF registered for Dapagliflozin, Apixaban, Empagliflozin, Rosuvastatin Calcium Crystalline, Edoxaban Tosylate & Linagliptin in different European Countries.
- Launched Contract Development and Manufacturing Business
- ANVISA (Brazil) GMP approval for Baddi Plant

2026
Secured 4th Consecutive USFDA Inspection with zero observation (NIL 483) for the Masulkhana Plant and EDQM approval for the Baddi Plant

MOREPEN

State-of-the-art Pharma Complex at Baddi

Finished Formulations

Specialty presence, trusted prescriptions and agile brand extensions

In the prescription segment, the Company continues to strengthen its domestic presence through its focused business verticals - Cardia and Medicus - covering cardiology, diabetology, paediatrics, gynaecology, nutrition, antibiotics, vitamins and gastroenterology.

The Company has built a trusted prescription base across key specialties, including gynaecology, general physicians and consulting physicians, paediatrics, cardiology and gastroenterology. This presence continues to support its ability to launch and scale brands across therapeutic verticals.

Building on the market leadership of its Dom brand, the Company launched Dom-ES as a brand extension to address a wider patient base. The gastroenterology franchise was further strengthened through the launch of Udofix Suspension and a new orange-flavoured variant of Acifix Raft, introduced in response to physician and patient feedback on palatability and treatment compliance.

MOREPEN

Oral Finished Dosage Facility

Recognising the rising prevalence of allergic conditions, the Company launched the Alleripen range under the Medicus division, marking its entry into the anti-allergy segment. Built around Montelukast, an API in which Morepen has deep manufacturing expertise as one of the world's leading API exporters, the range brings global manufacturing standards to Indian patients.

Within the Cardia vertical, the Company launched Lipipen to expand its portfolio and address a broader spectrum of cardiovascular care needs. Together, these launches reflect Morepen's strategy of combining therapeutic expertise with agile, demand-led brand building.

Medical Education and Health Awareness

Knowledge partnership beyond products

Morepen has consistently engaged with the medical fraternity and the wider public on matters of everyday health. Leveraging the leadership position of Saltum, the No. 1 brand in its category in the Indian pharmaceutical market, the Company conducted a dedicated campaign during Antimicrobial Resistance (AMR) Awareness Week to reinforce responsible antibiotic use among physicians and patients.

These initiatives were complemented by Continuing Medical Education sessions, round-table discussions with key opinion leaders, diabetes detection initiatives and HbA1c screening camps, strengthening the Company's role as a trusted knowledge partner to the medical community.

The Company also extended its outreach through activities around Menstrual Hygiene Day and awareness films for World Health Day, Children's Day, National Nutrition Day, World Hypertension Day, World Heart Day and the International Day of Yoga. Healthcare camps were also organised in association with medical practitioners, providing free diagnostic services and sample medicines to underserved patients.

Home Diagnostics and Point-of-Care Devices

Connected care, self-reliant manufacturing and expanding access

During FY 2025-26, the Company strengthened its manufacturing capabilities through strategic capacity expansion, automation and infrastructure enhancement. Automation initiatives included automatic cartoning and shrink-wrapping machines for blood glucose monitoring strips, a flow-wrap machine for pregnancy test kits and an automatic assembly machine to enhance production efficiency.

Manufacturing infrastructure was further expanded through the addition of injection moulding and Surface Mount Technology (SMT) capacity, while the screen-printing unit fulfilled 100 percent of internal requirements. The Company also established a dedicated acoustic testing room for stethoscopes and initiated development of an in-house tool room, strengthening manufacturing self-reliance.

Anubhav Suri
Head - Medipath Division

On the digital-health front, the Dr. Morepen Sync App witnessed significant user growth, supported by the launch of the Dr. Mo AI Chatbot and the introduction of lifetime app access bundled with every glucometer. The Company also expanded its healthcare ecosystem through Dr. Morepen Labs, which now offers more than 300 diagnostic tests across Delhi NCR and has conducted over 80,000 tests through a fully digital, app-integrated platform.

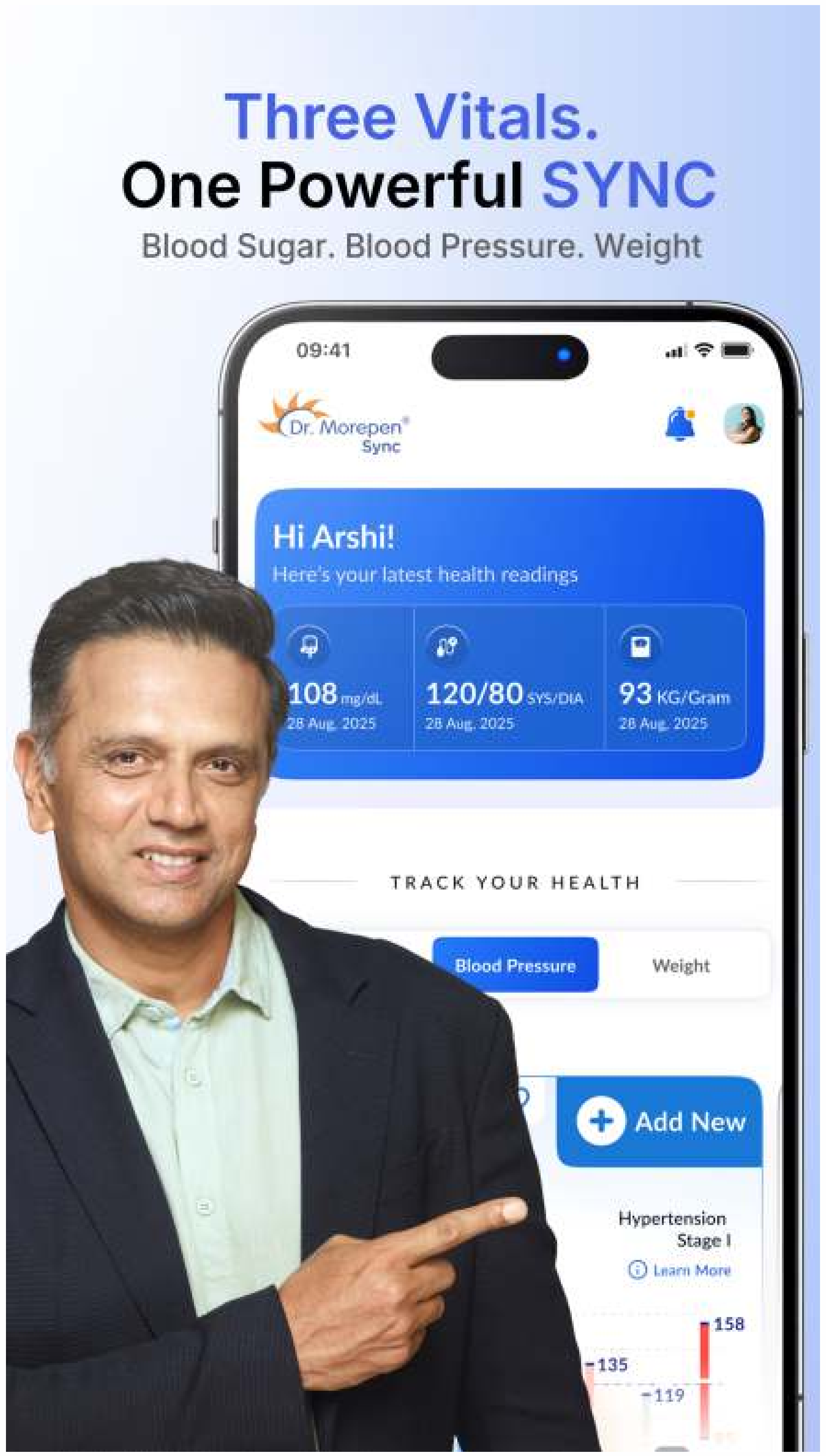
Further strengthening its international footprint, the Company expanded exports into Zambia, Ghana, Kenya, Nigeria and Sierra Leone. These initiatives across manufacturing, digital health, product innovation and global expansion reinforce Morepen's position in home diagnostics and point-of-care devices while supporting its long-term growth strategy.

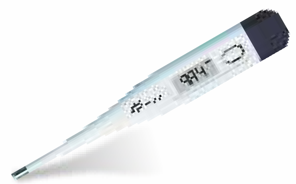
Semi Automatic PCB with display welding machine

Medipath Unit - 4

Rapid Automatic Assy. Machine

SDM Plant


Three Vitals.
One Powerful SYNC
Blood Sugar. Blood Pressure. Weight
09:41
Dr. Morepen Sync
Hi Arshi!
Here's your latest health readings
108 mg/dL
28 Aug. 2025
120/80 SYS/DIA
28 Aug. 2025
93 KG/Gram
28 Aug. 2025
TRACK YOUR HEALTH
Blood Pressure
Weight
Add New
Hypertension Stage I
Learn More
158
135
119




Dr. Morepen
LUMBO
SACREL
DOUBLE
LOCK
BELT
LS-03

Events
in Motion


MOREPEN

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present the 41st Annual Report on the business, operations, performance and achievements of Morepen Laboratories Limited (the 'Company'), together with the audited standalone and consolidated financial statements for the financial year ended 31st March 2026.

FINANCIAL HIGHLIGHTS

(₹in Lakhs, except EPS)

Particulars	Consolidated		Standalone	
	2025-26	2024-25	2025-26	2024-25
Sales	180113.07	180373.48	167666.92	154694.35
Other Operating Income	456.08	784.10	452.58	759.18
Other Income	2131.41	1836.37	2149.51	1571.96
Total Income	182700.56	182993.95	170269.01	157025.49
Operating Surplus	14694.30	19243.40	13357.35	16913.06
Finance Cost	1641.37	834.29	1609.71	710.29
Cash Surplus	13052.93	18409.11	11747.64	16202.77
Depreciation & Amortisation	3643.47	2898.17	2930.81	2444.21
Profit before Exceptional Items and Tax	9409.46	15510.94	8816.83	13758.56
Exceptional Items	2582.54	-	109.59	-
Profit before Tax	11992.00	15510.94	8926.42	13758.56
Tax - Current Year	1592.87	3236.69	1484.62	3128.33
Tax - Earlier Years	(13.15)	-	(13.15)	-
Deferred Tax	847.63	472.71	849.20	472.71
Profit after Tax before Non-controlling Interest	9564.65	11801.54	6605.75	10157.52
Less: Non-controlling Interest	76.97	(0.50)	-	-
Profit after Tax and Non-controlling Interest	9487.68	11802.04	6605.75	10157.52
Other Comprehensive Income (Net of Tax)	618.91	25.37	605.67	17.23
Total Comprehensive Income	10106.59	11827.41	7211.42	10174.75
EPS (Basic & Diluted)	1.73	2.20	1.21	1.90

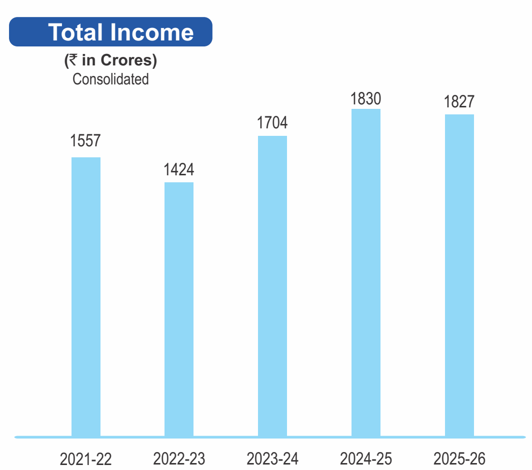
Note: Figures in brackets represent negative numbers.

REVIEW OF PERFORMANCE

The financial year 2025-26 was a year of consolidation, platform-building and strategic transition. While consolidated revenues remained broadly stable, the company continued to strengthen its core healthcare businesses, particularly Active Pharmaceutical Ingredients ('API'), Medical Devices and Formulations. The year also marked an important step in the company's evolution from a predominantly product-led API business towards a more integrated, innovation-led manufacturing and healthcare platform.

On a consolidated basis, the company recorded total income of ₹182,700.56 Lakhs as compared with ₹182,993.95 Lakhs in the previous year. Consolidated operating surplus stood at ₹14,694.30 Lakhs as compared with ₹19,243.40 Lakhs in the previous year. The moderation in profitability was primarily attributable to margin pressure in select API categories, higher operating and finance costs, and the lower contribution of Dr. Morepen Limited following its cessation as a subsidiary with effect from 31st July 2025.

Export revenues increased by 13.01 percent to ₹80,268.87 Lakhs from ₹71,027.89 Lakhs in the previous year,



reflecting continued demand across key international markets, particularly Europe. Domestic revenues stood at ₹99,844.20 Lakhs as compared with ₹109,345.59 Lakhs in the previous year, reflecting the impact of business realignment and changes in the consolidated structure.

On a standalone basis, sales revenue increased by 8.39 percent to ₹167,666.92 Lakhs from ₹154,694.35 Lakhs in the previous year. The Medical Devices business recorded strong revenue growth of 20.13 percent, while the API business remained the largest contributor to the company's revenue base. The Formulation business also delivered healthy underlying momentum in contract manufacturing and branded prescription products.

Strategic transition: The company is building on its API heritage, global regulatory credibility, manufacturing depth and R&D capabilities to strengthen long-duration manufacturing partnerships and create a more resilient, future-ready growth platform.

FINANCIAL PERFORMANCE

Sales and Revenue Mix

Consolidated sales revenue for the year stood at ₹180,113.07 Lakhs as compared with ₹180,373.48 Lakhs in the previous year. Total income stood at ₹182,700.56 Lakhs as against ₹182,993.95 Lakhs in the preceding year. The company's export performance helped maintain revenue stability despite moderation in certain domestic business lines and the deconsolidation impact of Dr. Morepen Limited.

The Medical Devices business reported annual revenue of ₹59,698.01 Lakhs, increasing its contribution to the company's standalone revenue to 35.61 percent from 32.12 percent in the previous financial year. The API business, with annual standalone revenues of ₹94,452.45 Lakhs, remained the largest revenue contributor, accounting for 56.33 percent of standalone revenue compared with 60.48 percent in the preceding year.

Material Cost

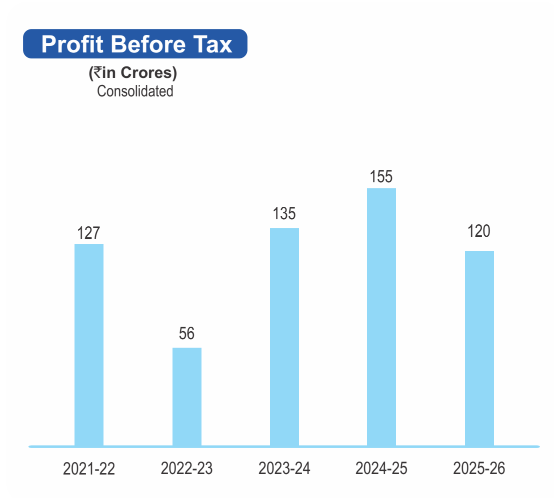
Material cost, as a percentage of total income, stood at 61.49 percent compared with 63.35 percent in the previous year, reflecting an improvement of 186 basis points. The company continues to focus on procurement efficiency, product mix optimisation, process discipline and cost control across its manufacturing operations.

Employee Cost

Employee cost for the year stood at ₹23,273.94 Lakhs, reflecting an increase of 11.40 percent over ₹20,891.39 Lakhs in the previous year. The increase was primarily driven by periodic wage revisions, capability-building initiatives, strategic hiring and leadership development. With total income remaining broadly stable, employee cost as a percentage of total income increased to 12.74 percent from 11.42 percent in the previous year.

Other Expenses

Consolidated expenditure on manufacturing, selling and distribution, marketing and administrative activities stood at 17.73 percent of total income as compared with 14.72 percent in the previous year. In absolute terms, such expenditure increased by 20.28 percent during the year, primarily due to a 22.39 percent increase in selling and distribution expenses and a 29.15 percent increase in administrative costs. These were partly offset by a 1.70 percent reduction in manufacturing and related expenses.



Finance Cost and Depreciation

Finance costs stood at ₹1,641.37 Lakhs as compared with ₹834.29 Lakhs in the previous year. The increase was primarily attributable to higher utilisation of working capital facilities and additional unsecured loan facilities during the year. Finance cost included interest on working capital and packing credit facilities of ₹842.05 Lakhs, interest on unsecured loans of ₹415.33 Lakhs, interest on vehicle loans of ₹66.79 Lakhs and interest on fixed deposit-backed credit facilities of ₹32.94 Lakhs. A sum of ₹2.90 Lakhs was also incurred towards interest on loans of erstwhile subsidiary Dr. Morepen Limited up to the date of its deconsolidation.

Other components of finance cost comprised interest on lease liabilities of ₹159.62 Lakhs, loan processing fees of ₹31.50 Lakhs and a provision of ₹78.33 Lakhs towards interest on delayed payment of advance tax for assessment year 2026-27. Consolidated depreciation and amortisation for the year amounted to ₹3,643.47 Lakhs, including amortisation of ₹1,054.15 Lakhs on Right-of-Use assets comprising office premises, warehouses, residential accommodation and solar panels taken on lease by the company.

Other Operating Income and Other Income

Other operating income primarily comprised export incentives and other operating income. Export incentives amounted to ₹412.56 Lakhs as compared with ₹438.54 Lakhs in the previous year, representing a marginal decline of 5.92 percent. Consolidated other income, comprising foreign exchange fluctuations, interest income, notional interest on security deposits and other miscellaneous income, increased by 16.07 percent to ₹2,131.41 Lakhs from ₹1,836.37 Lakhs in the previous year.

Profitability

Consolidated profit before interest, depreciation, exceptional items and tax stood at ₹14,694.30 Lakhs as compared with ₹19,243.40 Lakhs in the previous year. Consolidated profit after tax before non-controlling interest amounted to ₹9,564.65 Lakhs as compared with ₹11,801.54 Lakhs in the previous year. Consolidated profit after tax, net of non-controlling interest, stood at ₹9,487.68 Lakhs as against ₹11,802.04 Lakhs in the previous year. Total comprehensive income stood at ₹10,106.59 Lakhs as compared with ₹11,827.41 Lakhs in the previous year.

Notwithstanding the moderation in profitability, the company maintained a resilient operating base, supported by its diversified business portfolio, strong export performance, disciplined cost management and sustained investment in future growth capabilities.

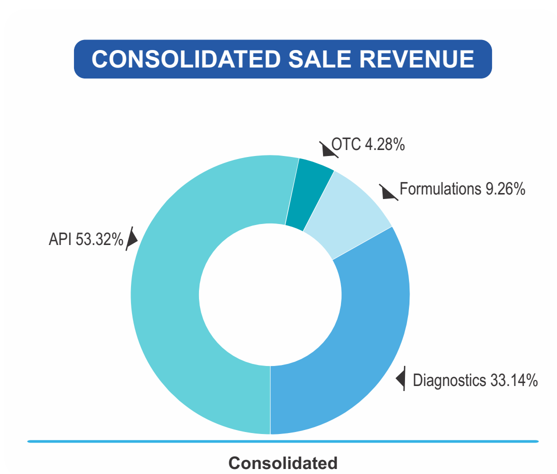
BUSINESS-WISE PERFORMANCE

Active Pharmaceutical Ingredients ('API')

The API business continued to be the company's largest business segment and remained a principal driver of its international business. The segment reported revenues of ₹98,273.23 Lakhs during the year as compared with ₹98,919.10 Lakhs in the previous year. Domestic API revenues grew by 4.32 percent, while export revenues registered a marginal decline of 0.40 percent over the previous year.

Within the API segment, growth was led by Atorvastatin, which recorded revenue growth of 25.55 percent during the year. The contribution of new molecules comprising Edoxaban, Linagliptin, Saxagliptin and Vonoprazan increased to ₹5,637.24 Lakhs from ₹2,554.80 Lakhs in the previous year, representing growth of 121 percent. Bempedoic Acid, added during the year to the new product portfolio, generated revenue of ₹1,668.88 Lakhs. These gains helped offset moderation in revenues from certain established molecules, including Montelukast, Loratadine, Fexofenadine and Rosuvastatin.

The API business continues to be supported by the company's regulatory track record, manufacturing scale, process chemistry capabilities and global customer relationships. These strengths provide a strong foundation for the company's strategic expansion into long-duration Contract Development and Manufacturing Organisation ('CDMO') partnerships.



Home Diagnostics and Point-of-Care Medical Devices

The Medical Devices business continued its strong growth trajectory, with revenues increasing to ₹59,698.01 Lakhs from ₹49,692.61 Lakhs in the previous year, representing growth of 20.13 percent. The segment has achieved a five-year Compound Annual Growth Rate ('CAGR') of 9.26 percent, underscoring the strength and resilience of the business.

The Blood Glucose Monitoring business remained the largest contributor within the portfolio, with revenues of ₹45,924.04 Lakhs and annual growth of 18.73 percent. The business has delivered a five-year CAGR of 13.30 percent, reflecting sustained market acceptance and scale. The Blood Pressure Monitoring business also delivered a strong performance, with revenues increasing to ₹10,491.50 Lakhs from ₹9,077.81 Lakhs in the previous year, representing growth of 15.57 percent and a five-year CAGR of 5.71 percent.

Emerging product categories continued to strengthen the portfolio. The Nebuliser business grew by 300.16 percent to ₹1,733.36 Lakhs from ₹433.17 Lakhs in the previous year. Thermometers grew by 37.56 percent to ₹790.45 Lakhs, while Pregnancy Test Kits recorded growth of 39.78 percent to ₹163.26 Lakhs. Stethoscope revenues stood at ₹353.36 Lakhs as compared with ₹387.72 Lakhs in the previous year. Other products, including Pulse Oximeters, Vaporizers, Digital Weighing Scales, Orthopaedic products and miscellaneous products, recorded revenues of ₹758.66 Lakhs.

Achievements and Key Initiatives in Medical Devices

Quality and Compliance

- Successfully completed the Medline audit for Stethoscopes with a Fair rating, demonstrating continued commitment to quality systems, process compliance and customer requirements.
- Successfully cleared the unannounced SMETA/SEDEX 4-Pillar Audit conducted by International Compliance Group, covering Labour Standards, Health & Safety, Environment and Business Ethics.

Automation and Operational Excellence

- Implemented an Automatic Cartoning Machine for Blood Glucose Monitoring strip bottles, improving productivity, consistency and reducing manual intervention.
- Installed and commissioned an Automatic Shrink-Wrapping Machine for strip bottle packaging, strengthening packaging efficiency and product presentation.

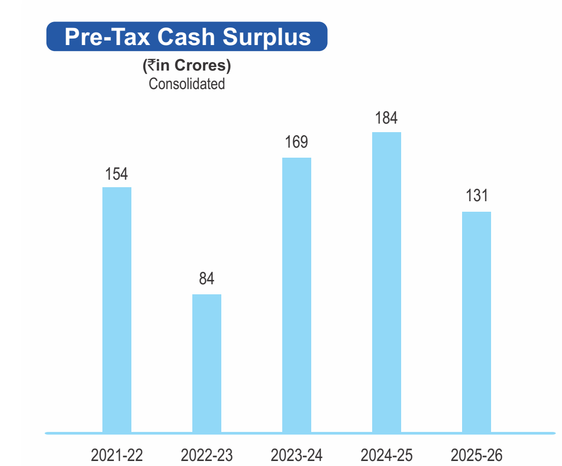
- Implemented a Flow-Wrap Machine for automatic pouch packing of Pregnancy Test Kits, improving throughput, process standardisation and operational efficiency.
- Initiated installation of an Automatic Assembly Machine for Pregnancy Test Kits, representing a significant step towards higher manufacturing automation and capacity enhancement.

Manufacturing Capability Enhancement

- Established and operationalised in-house Surface Mount Technology processes for PCB assemblies used in Glucometers and Blood Pressure Monitors, strengthening backward integration and manufacturing self-reliance.
- Developed and implemented a dedicated sound-proof acoustic testing room for Stethoscopes, improving testing accuracy, product validation and quality assurance standards.
- Strengthened the culture of continuous improvement through focused Kaizen awareness and implementation programmes, resulting in 16 Kaizen projects during the year.

Strategic Initiatives

The company has initiated the process of transferring its



Medical Devices business to a subsidiary and intends to complete the transfer in the upcoming financial year, subject to applicable approvals and completion of necessary formalities. This initiative is intended to sharpen business focus, enhance operating agility and support the long-term growth potential of the Medical Devices platform.

Finished Formulations

The Finished Formulations business, comprising Branded Prescription (Rx), Institutional Supplies and Contract Manufacturing operations, reported revenue of ₹16,678.57 Lakhs during the year as compared with ₹17,748.07 Lakhs in the previous year. The business continued to witness demand across key product segments, supported by strong growth in Contract Manufacturing and steady progress in the Branded Prescription portfolio.

Institutional Supplies

The Institutional Supplies business recorded revenues of ₹4,830.65 Lakhs during the year as compared with ₹4,952.44 Lakhs in the previous year. Despite marginal moderation, the business maintained its presence in the institutional segment and remained an important component of the company's Formulations business.

Branded Formulation Business

The Branded Formulation business recorded revenues of ₹5,449.84 Lakhs as against ₹5,167.84 Lakhs in the previous year, registering growth of 5.46 percent. Within the Branded Prescription portfolio, the gastro therapeutic segment delivered growth of 28.11 percent during the year. Revenues from Antibiotics and Vitamins moderated by 14.55 percent and 9.19 percent, respectively, while growth in other therapeutic categories increased by 41.88 percent, reflecting continued diversification of the portfolio.

Contract Manufacturing Business

The Contract Manufacturing business recorded strong growth, with revenues increasing by 32.33 percent to ₹8,488.63 Lakhs from ₹6,414.63 Lakhs in the previous year. The growth was primarily driven by a 43.02 percent increase in domestic contract manufacturing revenues, reflecting higher capacity utilisation and increased order volumes from customers While export contract manufacturing revenues moderated during the year, the strong domestic performance enabled the business to deliver robust overall growth.

STRATEGIC PROGRESS: CDMO AND LONG-DURATION MANUFACTURING PARTNERSHIPS

During the year, the company advanced its CDMO strategy by leveraging its established API capabilities, regulatory track record, process chemistry strengths and manufacturing infrastructure. The company secured a significant multi-year CDMO mandate valued at approximately ₹825 Crore from a leading global pharmaceutical company. This milestone validates company's readiness to participate in long-duration, quality-led global manufacturing partnerships and represents an important step in the company's transition towards a more predictable, higher-quality earnings model.

CDMO is a natural extension of the company's API heritage. It allows the company to build deeper customer relationships, improve visibility of future business, strengthen manufacturing utilisation and create a more scalable platform for regulated-market opportunities. The company continues to invest in capacity, compliance, R&D, analytics and process development capabilities to support this next phase of growth.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend of ₹0.20 per equity share for the financial year ended 31st March 2026, subject to the approval of members at the ensuing Annual General Meeting. The dividend, if approved, shall be subject to deduction of tax at source as applicable. The dividend payout ratio for the year under review is 16.44 percent.

The company is complying with its Dividend Distribution Policy framed in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The said policy is available on the company's website at https://www.morepen.com/public/img/Dividend%20Distribution%20Policy.pdf.

The company transferred a sum of ₹119.47 Lakhs to its 'Unpaid Dividend Account 2024-25' on 7th October 2025. The details of unpaid and unclaimed dividends lying with the company as on 31st March 2026 are available on the company's website, can be accessed by clicking at https://www.morepen.com/public/img/pdf/Website%20upload%2031.03.26%20Unclaim%20dividend.pdf.

Pursuant to the provisions of the Companies Act, 2013 ('the Act') and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, unpaid or unclaimed dividend is required to be transferred to the Investor Education and Protection Fund after completion of seven years from the date of transfer to the Unpaid Dividend Account. Since the dividend for the financial year ended 31st March 2025 was declared at the Annual General Meeting held on 6th September 2025, the applicable seven-year period has not yet elapsed.

RESERVES

Standalone net profit after tax of ₹6,605.75 Lakhs has been carried forward to Retained Earnings. No amount has been transferred to the General Reserve during the current year.

DEPOSITS

The company has not accepted any deposits from the public during the year under review within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

FINANCES

Credit Facilities

During the year, Kookmin Bank, Woori Bank and Hana Bank provided unsecured term loan facilities aggregating to ₹13,000.00 Lakhs, comprising ₹5,000.00 Lakhs each from Kookmin Bank and Woori Bank and ₹3,000.00 Lakhs from Hana Bank. These term loans are repayable over a period of 36 months. The company also utilised vehicle loan facilities during the year.

Further, the company, during the year, repaid in full the secured working capital facilities availed from Kotak Mahindra Bank Limited, aggregating to ₹9,900.00 Lakhs, comprising a Working Capital Demand Loan of ₹7,900.00 Lakhs and a Cash Credit facility of ₹2,000.00 Lakhs.

Qualified Institutions Placement Proceeds

The company has utilised the proceeds of its Qualified Institutions Placement ('QIP') in accordance with the objects set out in the Placement Document. The utilisation is monitored by Monitoring Agency, Management and reviewed by the Audit Committee, in compliance with applicable regulatory requirements. The details of utilisation are provided in the 'Corporate Governance Report'. There has been no deviation or variation in the utilisation of the proceeds from the stated objects, except for timing differences in deployment.

Credit Rating

The company's financial discipline and prudence are reflected in the credit ratings assigned by the rating agency. The details of the credit ratings are disclosed in the 'Corporate Governance Report', which forms part of this Annual Report.

SHARE CAPITAL

During the year under review, the authorised share capital of the company stood at ₹25,000.00 Lakhs, comprising ₹20,000.00 Lakhs of equity share capital and ₹5,000.00 Lakhs of preference share capital. The paid-up equity share capital stood at ₹10,958.41 Lakhs. There was no change in the paid-up equity share capital during the year under review.

Cancellation of Equity Shares

As reported in the previous year, the company is making continues effors for cancellation of 50,62,872 equity shares surrendered in compliance with the order of the Hon'ble National Company Law Tribunal dated 12th March 2018. The stock exchanges have not processed the cancellation application, citing pending compliance with certain aspects of the said order. The company continues to engage with the stock exchanges and remains committed to resolving the matter and obtaining requisite approval for cancellation of the surrendered shares from its listed share capital at the earliest. In latest communication dated 20th July 2026 the company has represented its matter with the stock exchanges.

General disclosures with respect to Shares

During the year under review, the company did not issue any equity shares with differential rights as to dividend, voting or otherwise; did not undertake any buy-back of shares; did not issue sweat equity shares to directors or employees; did not fail to implement any corporate action; and did not provide any funds or loans to employees for purchase of its own shares, in compliance with applicable provisions of the Act and the rules made thereunder.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

As on 31st March 2026, the company had seven subsidiaries, namely:

1. *Morepen Medipath Limited (formerly known as Morepen Medtech Limited);*
2. Morepen Rx Limited;
3. *Morepen Bio Inc., USA (formerly known as Morepen Inc.);*
4. *Morepen Labs - FZCO; (Now, Morepen Labs FZE)*
5. Morepen Devices Limited;
6. *Morepen Medical Equipment Trading L.L.C. (subsidiary of Morepen Medipath Limited); and*
7. *Sigmacheck Health Private Limited (subsidiary of Morepen Medipath Limited).*

Key Developments in Subsidiaries and Group Structure

The company's shareholding in Morepen Medipath Limited *(formerly known as Morepen Medtech Limited)* reduced from 80 percent to 60 percent during the year pursuant to a rights issue undertaken by Morepen Medipath Limited in which the company did not fully participate. Subsequent to the close of the financial year, the company's shareholding further reduced to 51 percent pursuant to sale of a 9 percent equity stake. As on the date of this Report, Morepen Medipath Limited continues to remain a subsidiary of the company and there has been no material change in the nature of its business.

During the year, Dr. Morepen Limited ceased to be a subsidiary of the company with effect from 31st July 2025. This arose pursuant to divestment of part of the company's stake, together with the expansion of the capital base of

Dr. Morepen Limited consequent upon its acquisition of Groom Town Private Limited, a company engaged in the sale and marketing of grooming products, by way of allotment of equity shares. Consequently, Total Care Limited and Quick Med Private Limited, being subsidiaries of Dr. Morepen Limited, also ceased to be subsidiaries of the company with effect from the said date.

Morepen Labs - FZCO *(Now, Morepen Labs FZE)* was incorporated on 18th June 2025 as a wholly owned subsidiary of the company, to serve as the company's marketing and distribution interface in the Middle East and other overseas markets, primarily for the API business. On 20th July 2026, the company was redomiciled to 'Jebel Ali Free Zone (JAFZA)' Dubai, pursuant to '***Certificate of Continuation***' of even date issued by 'The Registrar of Companies' Jebel Ali Free Zone Authority, Government of Dubai.

Morepen Medical Equipment Trading L.L.C. was incorporated on 22nd July 2025, in mainland Dubai, U.A.E., as a subsidiary of Morepen Medipath Limited, therefore, step-down subsidiary of the company.

Sigmacheck Health Private Limited, is an Indian wholly owned subsidiary of Morepen Medipath Limited, therefore, step-down subsidiary of the company, incorporated on 13th August 2025.

During the year under review, there were no associates or joint venture companies as defined under Section 2(6) of the Act.

A statement containing the salient features of the financial statements of the subsidiaries in the prescribed format, Form AOC-1, is attached as '**Annexure A**' to this Report. Pursuant to Section 136 of the Act, the audited financial statements of the company and its subsidiaries are available on the company's website at https://www.morepen.com/investors.

Performance of Subsidiaries

Morepen Rx Limited

Morepen Rx Limited is primarily engaged in sales and marketing of Branded Prescription (Rx) products. The Branded Prescription business generated revenues of ₹5,449.84 Lakhs during the year, registering growth of 5.46 percent over the previous year's revenue of ₹5,167.84 Lakhs. Total revenue for the year stood at ₹5,449.84 Lakhs as compared with ₹11,276.35 Lakhs in the previous year, with the decline primarily attributable to the transfer of the generic formulations' distribution business to Dr. Morepen Limited in the previous financial year. The company reported a loss of ₹127.53 Lakhs as compared with profit after tax of ₹18.40 Lakhs in the previous year.

Morepen Medipath Limited

No significant operating activities were carried out by Morepen Medipath Limited during the year. The revenue reported during the year primarily represents interest income earned from funds deployed by the company.

Morepen Bio Inc.

Morepen Bio Inc. serves as the company's marketing and distribution interface in the USA, primarily for the API business. During the year, it procured bulk drugs from its parent company and sold them in the US and neighbouring markets, either directly or through local trade channels. During the current year, Morepen Bio Inc. recorded revenue of ₹11,053.87 Lakhs (USD 11,824,850) as compared with ₹14,564.07 Lakhs (USD 17,049,950) in the previous year. Profit after tax stood at ₹20.97 Lakhs as compared with ₹410.61 Lakhs in the previous financial year.

Morepen Labs - FZCO (Now, Morepen Labs FZE)

Morepen Labs - FZCO serves as the company's marketing and distribution interface in the Middle East and other overseas markets, primarily for the API business. During the year, the subsidiary recorded revenue of ₹1,668.88 Lakhs (AED 6,557,476), primarily from marketing and distribution of API products sourced from the company and reported profit after tax of ₹34.40 Lakhs (AED 135,165).

Morepen Medical Equipment Trading L.L.C.

No significant operating activities were carried out by Morepen Medical Equipment Trading L.L.C., during the year under review. The company reported a loss of ₹16.26 Lakhs (AED 62,506) on account of incorporation and general administrative expenditure.

Morepen Devices Limited and Sigmacheck Health Private Limited

No operating activities were carried out by Morepen Devices Limited and Sigmacheck Health Private Limited, during the year.

Dr. Morepen Limited, Total Care Limited and Quick Med Private Limited

Up to the date of divestment, Dr. Morepen Limited continued to carry on its over-the-counter and generics business operations. For the period from 1st April 2025 to 31st July 2025, Dr. Morepen Limited recorded revenue from operations of ₹7,728.73 Lakhs and other income of ₹156.03 Lakhs. Quick Med Private Limited recorded revenue of ₹28.77 Lakhs during the said period. The financial results of these entities have been consolidated with those of the company up to 31st July 2025.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31st March 2026 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with comparative data for the previous year. In accordance with the Act and Ind AS 110 on Consolidated Financial Statements read with Ind AS 112 on Disclosure of Interests in Other Entities, the Audited Consolidated Financial Statements are provided in this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March 2026, the Board comprised six directors, with an optimum combination of executive and non-executive directors, including one woman director. The Board comprises four non-executive directors, all of whom are independent directors. Pursuant to Section 203 of the Act, Mr. Sushil Suri, Chairman & Managing Director, Mr. Sanjay Suri, Whole-Time Director *(now, Managing Director w.e.f., 1st July 2026)*, Mr. Ajay Kumar Sharma, Chief Financial Officer, and Mr. Vipul Kumar Srivastava, Company Secretary, were the Key Managerial Personnel of the company as on 31st March 2026.

Changes in Directors and Key Managerial Personnel

During the year under review, the members, at the 40th Annual General Meeting held on 6th September 2025, approved the appointment of Mr. Sanjay Suri (DIN: 00041590), who retired by rotation and being eligible, offered himself for re-appointment; the re-appointment of Mrs. (Dr.) Savita (DIN: 08764773) as a Non-Executive Independent Director for a second term of five consecutive years, up to 21st June 2030; and the re-appointment of Mr. Sanjay Suri as Whole-Time Director for a term of three years up to 12th August 2028.

Mr. Sanjay Suri (DIN: 00041590), being liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends his re-appointment at the forthcoming Annual General Meeting. Approval of the members is being sought for the same.

Based on the recommendation of the Nomination and Remuneration Committee, the Board has re-appointed Mr. Sushil Suri (DIN: 00012028) as Chairman & Managing Director for a term of three years commencing from 20th October 2026 and ending on 19th October 2029, subject to the approval of members at the forthcoming Annual General Meeting.

Based on the recommendation of the Nomination and Remuneration Committee, the Board has approved the change in designation of Mr. Sanjay Suri (DIN: 00041590) from Whole-Time Director to Managing Director, effective from 1st July 2026 and up to 12th August 2028, subject to approval of the members.

Declaration by Independent Directors

The Independent Directors have submitted declarations confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act, the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. There has been no change in circumstances affecting their status as Independent Directors of the company. The Board has taken these declarations on record after due assessment and is satisfied with the

integrity, expertise and experience of all Independent Directors, including their proficiency as required under applicable law.

Evaluation of Board, Committees and Directors

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out evaluation of its own performance, the performance of its committees and the performance of individual directors. The performance of non-independent directors, the Board as a whole and the Chairman was evaluated by the Independent Directors, taking into account the views of executive and non-executive directors. The Board expressed satisfaction with the evaluation process and outcomes. Further details are provided in the 'Corporate Governance Report'.

Familiarisation Programme for Independent Directors

Details of the familiarisation programme for Independent Directors are provided in the 'Corporate Governance Report' forms part of this Annual Report.

Meetings of the Board of Directors

The Board of Directors met seven times during the year under review. Details of Board meetings and meetings of the committees of the Board are provided in the 'Corporate Governance Report'.

Independent Directors Meeting

A separate meeting of the Independent Directors was held on 10th February 2026 without the presence of non-Independent Directors and management personnel, except the Company Secretary. The Independent Directors reviewed the performance of non-independent directors, the Board as a whole and the Chairperson, and assessed the quality, quantity and timeliness of flow of information between the management and the Board. All Independent Directors were present at the meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) read with Section 134(3)(c) of the Act, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively; and
- the Directors have devised proper systems to ensure compliance with provisions of all applicable laws and such systems are adequate and operating effectively.

MANAGERIAL REMUNERATION AND OTHER DISCLOSURES

Disclosure pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as follows:

- The ratio of remuneration of each Director to the median remuneration of employees and other details pursuant to Section 197(12) of the Act read with Rule 5(1) are annexed as 'Annexure B' and form part of this Report.
- The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and other applicable rules is provided in a separate annexure forming part of this Report. In terms of Section 136 of the Act, the Annual Report and accounts are being sent to members excluding the said annexure. The annexure is available for inspection at the Registered Office and Corporate Office of the company during working hours. Any member interested in obtaining a copy may write to the company within the statutory timelines.
- No Director of the company, including the Managing Director or Whole-Time Director, is in receipt of any commission from the company or its subsidiary companies.

AUDIT COMMITTEE

The Company has an Audit Committee in compliance with Section 177 of the Act and Regulation 18 of the Listing Regulations. The composition, terms of reference and other details of the Audit Committee are provided in the 'Corporate Governance Report'.

VIGIL MECHANISM

The company has implemented a Whistle Blower Policy/Vigil Mechanism enabling directors, employees and stakeholders to report concerns relating to unethical behaviour, actual or suspected fraud, or violation of the company's Code of Conduct or policies. The mechanism provides adequate safeguards against victimisation and provides direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee periodically reviews the effectiveness of this mechanism. The policy is available on the company's website at https://www.morepen.com/public/img/pdf/Vigil-Mechanism-Whistle-Blower-Policy.pdf.

RISK MANAGEMENT

The company has a structured mechanism to inform the Board about risk assessment and risk minimisation procedures and to periodically review management controls. The company has formulated and adopted a Risk Management Policy that outlines the process for identification, assessment, mitigation, monitoring, reporting and disclosure of risks.

The Board has constituted a Risk Management Committee to oversee implementation and effectiveness of the company's risk management framework. The Committee reviews strategic, operational, financial, regulatory, information technology, cybersecurity, environmental, social, governance and other emerging risks that may affect the company's business and long-term objectives. The Board, through the Risk Management Committee, is satisfied that the company's risk management framework is adequate and commensurate with the nature, size and complexity of its business.

NOMINATION AND REMUNERATION COMMITTEE

In accordance with Section 178 of the Act and the Listing Regulations, the company has constituted a Nomination and Remuneration Committee. Details of its composition, terms of reference and salient features are provided in the 'Corporate Governance Report'. The company has adopted a Nomination and Remuneration Policy for directors, Key Managerial Personnel and other employees. The policy provides guidelines for determining qualifications, positive attributes and independence of a director, as well as matters relating to remuneration, appointment, removal and performance evaluation of directors and appointment, removal and remuneration of key managerial personnel and senior management personnel. The policy is available at https://www.morepen.com/public/img/pdf/Nomination -and-Remuneration-Policy.pdf.

AUDITORS AND AUDIT REPORTS

Statutory Auditors and Audit Report

At the 37th Annual General Meeting held on 27th September 2022, M/s. S. P. Babuta & Associates, Chartered Accountants (Firm Registration No. 007657N), were appointed as Statutory Auditors of the company for a term of five consecutive years, from the conclusion of the 37th Annual General Meeting until the conclusion of the 42nd Annual General Meeting to be held in 2027. The Statutory Auditors' Reports form part of the financial statements.

EXPLANATION TO AUDITORS REPORT

The notes to the financial statements referred to in the Statutory Auditors' Reports are self-explanatory and do not call for further comments. The Statutory Auditors' Reports do not contain any qualification, reservation, adverse remark or disclaimer requiring comment in this Report. During the year, the Statutory Auditors did not report any fraud committed against the company by its officers or employees under Section 143(12) of the Act read with the rules made thereunder.

Secretarial Auditor and Secretarial Audit Report

Pursuant to Section 204 of the Act read with the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Praveen Dua, Company Secretary, Proprietor of M/s. P D and Associates, Company Secretaries, was appointed at the 40th Annual General Meeting for a term of five consecutive years from financial year 2025-26 to financial year 2029-30. The Secretarial Audit Report is annexed as 'Annexure C' and forms part of this Report.

EXPLANATION TO SECRETARIAL AUDIT REPORT

The notes referred to in the Secretarial Auditors' Report are self-explanatory and do not call for further comments. The Report does not contain any qualification, reservation, adverse remark or disclaimer. With respect to the observations made at point no. (f) of the report, relating to cancellation of shares pursuant to the order of the Hon'ble NCLT, Chandigarh, the company has complied with the said order; however, the stock exchanges have expressed their inability to proceed with cancellation from the total listed capital. The company is re-presenting the matter before the stock exchanges for expeditious resolution. With respect to the observation made at point no. (g) of the report regarding appointment of Central Government nominee directors on the Board, the requisite explanation is provided at point no. (i) under the section titled 'Legal and Corporate Matters' in this Report.

During the year, the Secretarial Auditor did not report any fraud committed against the company by its officers or employees under Section 143(12) of the Act read with the rules made thereunder.

Cost Auditors and Cost Audit Report

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the cost accounting records maintained by the company are required to be audited by Cost Auditors. The Cost Audit Report for the financial year 2025-26 does not contain any qualification, reservation, adverse remark or disclaimer and shall be filed with the Registrar of Companies in the prescribed form within statutory timelines. M/s. Vijender Sharma & Co., Cost Accountants, did not report any fraud committed against the company by its officers or employees under Section 143(12) of the Act read with the rules made thereunder.

Based on the recommendation of the Audit Committee, the Board of Directors has appointed M/s. Vijender Sharma & Co., Cost Accountants, as Cost Auditor of the company for the financial year ending 31st March 2027 at a remuneration of ₹2.50 Lakhs, subject to ratification by members at the ensuing Annual General Meeting.

Internal Auditors and Internal Financial Controls

During the year under review, the Board was appointed M/s. Harvinder & Associates, Chartered Accountants, as Internal Auditors for the financial year ended 31st March 2026. The company has an internal control system commensurate with the size, scale and complexity of its operations. The internal financial controls are adequate and operating effectively to ensure orderly and efficient conduct of business operations. The Statutory Auditors, pursuant to Section 143(3)(i) of the Act, have reported that the company has adequate internal financial controls in place and that such controls are operating effectively. The internal control measures ensure that the company's financial statements are reliable and prepared in accordance with applicable laws, thereby reinforcing the integrity of its financial reporting processes.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The company is ranked outside top 1000 listed entities as per market capitalization as of 31st December 2025. However, as per Regulation 3(2A) read with Regulation 3(2B) of Listing Regulations, compliance based on market capitalization criteria continues unless the company remains outside the applicable threshold for three consecutive years.

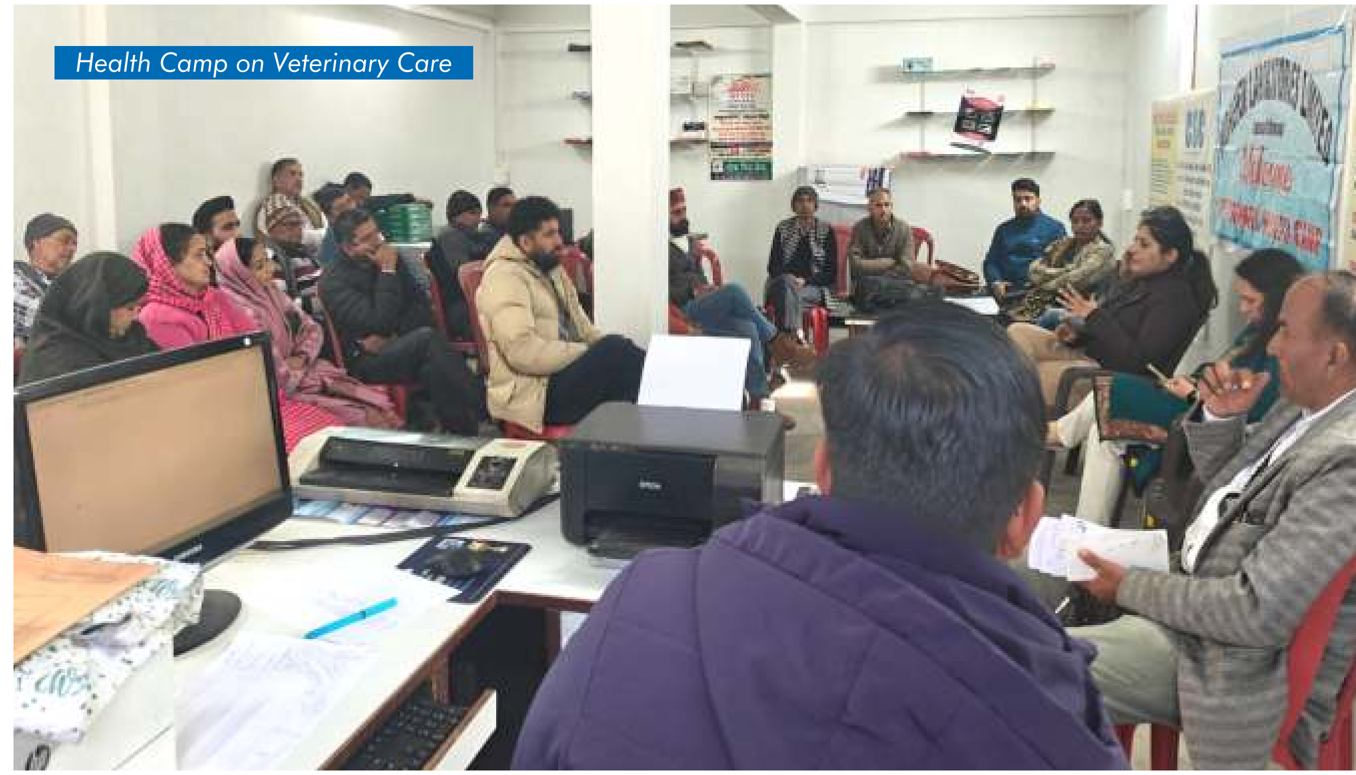
The Business Responsibility and Sustainability Report, in compliance with Regulation 34(2)(f) of the Listing Regulations, is enclosed as 'Annexure D' and forms part of this Annual Report.

SECRETARIAL STANDARDS

The company has established systems to ensure adherence to applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government. These systems facilitate compliance with Section 118(10) of the Act relating to Secretarial Standards on General and Board Meetings. The company periodically reviews and updates its internal processes to align with evolving standards and governance practices.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility ('CSR') Committee of the company has been constituted by the Board to monitor implementation of CSR activities in accordance with Section 135 of the Act read with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended. Based on the recommendation of the CSR Committee, the Board has adopted a CSR Policy indicating the activities to be undertaken by the company as specified in Schedule VII. The composition of the CSR Committee, CSR Policy, Annual Action Plan and CSR initiatives undertaken during the year are annexed as 'Annexure E' and form part of this Report. The information is also available on the company's website at https://www.morepen.com.



Health Camp on Veterinary Care

HUMAN RESOURCES

A detailed review of Human Resources of the company is set out in the Management Discussion and Analysis Report forming part of this Annual Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has implemented a policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee ('ICC') has been constituted to receive and redress complaints relating to sexual harassment. The policy sets out a structured redressal and enquiry process and applies to all women employees, including permanent, temporary, contractual and trainee employees.

During the year under review, the company had received one complaint of sexual harassment and dispose off said complaint within prescribed statutory timelines. Pursuant to the notification issued by the Ministry of Corporate Affairs dated 30th May 2025 amending the Companies (Accounts) Rules, 2014 through the Companies (Accounts) Second Amendment Rules, 2025, the requisite disclosures are as under:

- Number of complaints of sexual harassment received during the year: 1;
- Number of complaints disposed of during the year: 1; and
- Number of cases pending for more than ninety days: Nil.

COMPLIANCE RELATING TO THE MATERNITY BENEFIT ACT, 1961

The company is committed to upholding the provisions of the Maternity Benefit Act, 1961, as amended, ensuring the health, safety and dignity of its women employees. Eligible women employees, including full-time, contractual and temporary employees, are entitled to maternity benefits in accordance with applicable law. For the first two children, 26 weeks of paid maternity leave is provided.

Full salary, including regular allowances, is paid during maternity leave, and maternity-related healthcare is covered under the company's Mediclaim Policy. The company further supports working mothers through nursing breaks and protection from hazardous work during pregnancy and lactation. Women cannot be compelled to work during rest hours, night shifts, or the six (6) weeks immediately following delivery or miscarriage, unless they voluntarily choose to.

The company prohibits any dismissal or adverse change in employment conditions during maternity leave and maintains records of maternity leave in accordance with applicable requirements. The concerned department of the company maintains thorough records of maternity leaves, and any violations of these rights are treated with seriousness, potentially leading to disciplinary or legal action. The company remains committed to fostering a safe, inclusive and supportive workplace for women.

LEGAL AND CORPORATE MATTERS

(i) With respect to appointment of government directors on the Board under Section 408 of the erstwhile Companies Act, 1956, the company's appeal before the Hon'ble Supreme Court of India against the order passed by the Hon'ble National Company Law Appellate Tribunal remains pending adjudication. There has been no material development during the year under review, except filing of an application by the Union of India seeking vacation of the stay granted by the Hon'ble Supreme Court of India by its order dated 29th May 2023.

(ii) In relation to prosecutions initiated by the Registrar of Companies, Central Government/Union of India under Section 235 of the erstwhile Companies Act, 1956, the company is defending itself as well as its past and present directors in proceedings pending before the Court. Out of the total 27 prosecution matters, 15 matters have been compounded and disposed of, of which 8 pertain to complaints filed by the Registrar of Companies and 7 pertain to complaints filed by the Union of India. During the year under review, 2 matters were compounded.

Further, vide order dated 7th November 2025, the Hon'ble Chief Judicial Magistrate, Solan, dismissed 10 complaints comprising 9 complaints filed by the Union of India and 1 complaint filed by the Regional Director as being barred by limitation. Accordingly, only 2 complaints remain pending adjudication, comprising 1 filed by the Union of India and 1 filed by the Regional Director. Subsequently, on 14th January 2026, the Union of India filed 9 revision applications under Section 438 of the Bharatiya Nagarik Suraksha Sanhita, 2023, challenging the dismissal order dated 7th November 2025. The said revision applications are presently pending adjudication.

(iii) In the GDR matter, the appeal filed by the Securities and Exchange Board of India before the Hon'ble Supreme Court of India against the order passed by the Hon'ble Securities Appellate Tribunal remains pending adjudication. There has been no material development in the matter during the financial year under review.

ANNUAL RETURN

The Annual Return is available on the website of the company at www.morepen.com and can be accessed at http://www.morepen.com/pdf/Annual-Return.pdf.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed in this Report and the accompanying financial statements, there were no material changes or commitments affecting the financial position of the company between the end of the financial year and the date of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is annexed as 'Annexure F' and forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under Section 186 of the Act are provided in the notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, certain transactions fell within the definition of related party transactions under Section 188(1) of the Act. Accordingly, disclosure of related party transactions in Form AOC-2 under Section 134(3)(h) of the Act is enclosed as 'Annexure G'. All other related party transactions entered into during the year were on an arm's length basis and in the ordinary course of business. Requisite approvals of the Audit Committee were obtained, wherever applicable.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of the operations and performance of the company is set out in the Management Discussion and Analysis Report pursuant to Part B of Schedule V of the Listing Regulations, which forms part of this Annual Report as 'Annexure H'.

STATEMENT OF DEVIATION(S) AND VARIATION(S)

Pursuant to Regulation 32(4) of the Listing Regulations, there has been no deviation or variation in the utilisation of QIP proceeds from the objects stated in the placement document read with the explanatory statement to the notice of general meeting, during the year under review.

CORPORATE GOVERNANCE

A report on Corporate Governance, along with a certificate from the Practicing Company Secretary regarding compliance with the conditions of Corporate Governance stipulated in Part E of Schedule V of the Listing Regulations, forms part of this Report and is annexed as 'Annexure I'.

GENERAL DISCLOSURES

During the financial year under review:

- there were no significant material orders passed by regulators or courts that would impact the going concern status of the company or its future operations;
- no application was made under the Insolvency and Bankruptcy Code, 2016 and no proceeding under the said Code was pending as at the end of the financial year;
- the requirement to disclose details of difference between the amount of valuation done at the time of one-time settlement and the valuation done while taking loans from banks or financial institutions, along with reasons thereof, is not applicable; and
- there was no revision of the financial statements or the Board's Report of the company.

ACKNOWLEDGMENTS

The Board of Directors expresses its sincere appreciation to all stakeholders for their continued trust, support and confidence in the company. The Board is grateful to shareholders, customers, e-commerce partners, dealers, suppliers, lenders, bankers, regulatory authorities, government agencies and business associates for their valuable contributions and steadfast partnership throughout the year.

The Directors also place on record their appreciation for the dedication, commitment and efforts of the company's employees at all levels, whose collective contribution has been instrumental in the company's progress. The continued support and confidence of all stakeholders remain a source of strength as the company pursues sustainable growth, operational excellence and long-term value creation. We look forward to strengthening these relationships and advancing together towards new opportunities and achievements in the years ahead.

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: Gurugram, Haryana
Date: 4th August 2026

ANNEXURE 'A'

FORM AOC - 1: STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES

(Pursuant to first proviso to Sub-Section (3) of Section 129 of the Act read with Rule 5 of Companies (Accounts) Rules, 2014)

PART A: SUBSIDIARIES (₹ in Lakhs)

Name of the Subsidiary Company	Morepen Bio Inc.	Morepen Labs-FZE[1]	^Morepen Medical Equipment Trading LLC[#]	Morepen Rx Ltd.	^Morepen Medipath Ltd.[2]	Morepen Devices Ltd.	^Sigma Check Health Private Ltd[#]
CIN/any other registration number of the subsidiary company	0100952543	434257457	1528397	U21001HP2023PLC009940	U32509HP2025PLC011337	U33112HP2021PLC008798	U32509DL2025PTC453175
Provision pursuant to which the company has become a subsidiary company (Section 2(87)(i)/Section 2(87)(ii))	Section 2(87)(ii)						
The date since when subsidiary was acquired	30-09-2005	18-06-2025	22-07-2025	17-03-2023	08-01-2025	06-09-2021	13-08-2025
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2025 to 31-03-2026	18-06-2025 to 31-03-2026	22-07-2025 to 31-03-2026	01-04-2025 to 31-03-2026	01-04-2025 to 31-03-2026	01-04-2025 to 31-03-2026	13-08-2025 to 31-03-2026
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	US$/Rs. 93.48 (As on 31.03.2026)	AED/Rs. 25.80 (As on 31.03.2026)	AED/Rs. 25.80 (As on 31.03.2026)	-	-	-	-
Share Capital	22.23 (94,000 Fully paid shares of US$ 0.001 each)	13.18 (5000 Shares of AED 10 each)	25.80 (100 Shares of AED 1000 each)	708.23 (70,82,356 Equity Shares of Rs.10/- each)	180.00 (18,00,000 Equity Shares of Rs.10/- each)	10.00 (1,00,000 Equity Shares of Rs.10/- each)	1.00 (10,000 Equity Shares of Rs.10/- each)
Reserves & Surplus	1035.34	34.40	(16.26)	(660.52)	(2.21)	(3.63)	(0.43)
Total Assets	5321.00	1230.01	25.25	4518.15	179.24	37.12	0.68
Total Liabilities	4263.42	1182.43	15.71	4470.43	1.45	30.75	0.25
Investments	576.59	-	-	-	26.80	-	-
Turnover	11053.87	1668.88	-	5449.84	-	36.39	-
Profit/(Loss) before taxation	31.90	34.40	(17.83)	(127.53)	1.42	0.79	(0.57)
Provision for taxation	10.92	-	(1.57)	-	-	-	-
Profit after taxation	20.97	34.40	(16.26)	(127.53)	1.42	0.79	(0.57)
Proposed Dividend	-	-	-	-	-	-	-
Percentage of Shareholding	100%	100%	60%	100%	60%	100%	60%

Notes:

[1]Formerly Morepen Labs -FZCO.

[2]During the year, the company's shareholding in its subsidiary Morepen Medipath Limited (formerly Morepen Medtech Limited) reduced from 80% to 60%, consequent to non-participation by the company in a rights issue undertaken by the subsidiary.

[#]Direct subsidiary of Morepen Medipath Limited.

^ Yet to commence operations.

During the year, pursuant to the issuance of fresh equity shares by Dr. Morepen Limited and the partial divestment of the company's shareholding therein, the company's equity interest in Dr. Morepen Limited reduced from 80.00% to 19.94%. Consequently, Dr. Morepen Limited ceased to be a subsidiary of the company with effect from 31st July 2025. As at 31st March 2026, Dr. Morepen Limited was neither a subsidiary, an associate nor a joint venture of the company. Accordingly, Dr. Morepen Limited and its subsidiaries, Total Care Limited and Quick Med Private Limited, do not form part of this Form AOC-1.

PART B: ASSOCIATES & JOINT VENTURES - N.A.

For and on behalf of Board of Directors

Place: Gurugram, Haryana
Date: 4th August 2026

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

ANNEXURE 'B'

DETAILS OF REMUNERATION PURSUANT TO SECTION 134(3)(q) AND SECTION 197(12) OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. Ratio of the remuneration of each director to the median remuneration of the employees of the company;

Name of the Director	Designation	Ratio of remuneration to median remuneration of employees
Mr. Sushil Suri	Chairman & Managing Director	62.24
Mr. Sanjay Suri	Whole-Time Director*	39.05

Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year;

Name of the Director/KMP	Designation	% increase/(decrease) of remuneration in Financial Year 2025-26
Mr. Sushil Suri	Chairman & Managing Director	(16.49%)
Mr. Sanjay Suri	Whole-Time Director*	31.64%
Mr. Ajay Kumar Sharma	Chief Financial Officer	6.90%
Mr. Vipul Kumar Srivastava	Company Secretary	11.16%

* Managing Director w.e.f., Ist July, 2026.

2. The percentage increase in the median remuneration of employees in the financial year 2025-26 was (3.93%).
3. The number of permanent employees on the rolls of the company as on 31st March 2026, was 1919.
4. The average percentile increases in the salaries of the employees other than the managerial personnel in the financial year 2025-26 was 7.75% while the increase in managerial remuneration was 0.50%.
5. It is hereby affirmed that the remuneration was paid as per the Nomination and Remuneration Policy of the company.

For and on behalf of Board of Directors

Place: Gurugram, Haryana
Date: 4th August 2026

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

ANNEXURE 'C'

(Form No. MR-3)
SECRETARIAL AUDIT REPORT
(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026)

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Morepen Laboratories Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Morepen Laboratories Limited (hereinafter called the 'company'). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2026 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March 2026 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996, as amended, and the Regulations and Bye laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;

d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Provisions of which, were not applicable.

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021, as amended;

Provisions of which, were not applicable.

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

Provisions of which, were not applicable, and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended;

Provisions of which, were not applicable.

(vi) Other laws applicable specifically to the company namely: -

i) Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules 1945;

j) Drugs (Price Control) Order, 2013;

k) Indian Boilers Act, 1923;

We have also examined compliance with the applicable clauses of the following:

(i) The provisions envisaged in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

(ii) The Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

We further report that:

(a) The Board of Directors of the company is duly constituted with a proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except meeting called and held on shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

c) All the resolutions have been passed unanimously and did not find any dissenting views in the minutes;

d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines;

e) The Company has entered into related party transactions for the sale and purchase of materials/products, as well as for the payment of remuneration (including incentives) to related party personnel. These transactions were claimed to be executed on an arm's length basis, pursuant to the omnibus approval granted by the Audit Committee.

f) **Non-updation of Register of Members post cancellation of Equity Shares in compliance with NCLT Order.**

1. Status of Share Allotment and Subsequent Judicial Revocation.

The Company had originally allotted 9,24,90,413 equity shares pursuant to a Scheme of Arrangement and Compromise under Section 391 of the erstwhile Companies Act, 1956 ('the Scheme'), approved by the Hon'ble High Court of Himachal Pradesh on 4th August, 2009 and shares allotted on 12th August 2009. Subsequently, the Hon'ble National Company Law Tribunal ('NCLT'), Chandigarh Bench, vide its order dated 12th March 2018, set aside the Scheme specifically for Fixed Deposit ('FD') holders who continued to hold such equity shares. While this order was temporarily stayed by the Hon'ble National Company Law Appellate Tribunal ('NCLAT') on 27th April 2018, the Hon'ble NCLAT passed its final order on 23rd July 2019 upholding the NCLT's decision. The Hon'ble NCLAT directed the cancellation of equity shares held by the respective FD holders (excluding shares already traded or transferred) and mandated the refund of underlying FD dues as per the CLB Scheme dated 19th August 2003.

2. Implementation of Share Surrender and Repayment Mechanism

   In execution of the judicial directives, the compnay had initiated a formal share surrender for cancellation and repayment of FD dues. Individual notices were dispatched to eligible FD holders on 13th August 2019, and public notices were released on 15th August 2019 in *Financial Express* (English) & *Jansatta* (Hindi). The compnay further sent a final reminder through speed post/registered post on 27th July 2020, and published newspaper advertisement in 'Financial Express-English' and 'Jansatta Hindi'. Under this process, the company successfully verified, repaid the outstanding FD dues, and processed the surrender of 50,62,872 equity shares for cancellation. Following a prolonged period with no further surrender applications, the Company published a terminal public notice on 28th July 2021 formally declaring the surrender process closed.

3. Current Status of Shares Surrendered for Cancellation

   Following the closure of the surrender window, the Company submitted multiple applications to the designated Stock Exchanges to remove the 50,62,872 operationally cancelled shares from the total listed capital. However, the Stock Exchanges have denied approving on these applications, citing non-compliance of the hon'ble NCLT order in entirety.

   Consequently, pending final clearance and alignment with the Stock Exchanges, the Register of Members has not been structurally updated to reflect the reduction. These 50,62,872 equity shares continue to be reported within the listed capital framework but remain legally blocked, stripped of all shareholder rights-including voting rights, dividend entitlements, or other corporate benefits.

g) The appointment of two nominee directors by the Central Government, which was stayed by the Hon'ble Supreme Court of India, remains pending for final adjudication

h) The company convened its 40th Annual General Meeting ('AGM') on 6th September 2025 through video conferencing and transacted and approved special business items of

   a) Ratification of remuneration of M/s. Vijender Sharma & Co., Cost Accountants, as Cost Auditors of the Company.

   b) Re-appointment of Mrs. Dr. Savita (DIN:08764773) as an Independent Director.

   c) Appointment of M/s. PD and Associates, Company Secretaries as Secretarial Auditor.

   d) Re-appointment of Mr. Sanjay Suri as whole-time director of the company.

   e) Extension of time to hive off medical device business of the company.

   f) Approval of remuneration to Anandi Suri (RPT) to the place of profit under section 188 of the Companies Act, 2013

   g) Approval of remuneration of Arjun Suri (RPT) to the place of profit under section 188 of the Companies Act, 2013

   h) Consent of members to authorise the company for conversion of the loan into shares or convertible instruments

For PD and Associates
Company Secretaries

Praveen Dua
Proprietor
FCS: 3573; CP: 2139,
UDIN: F003573H001003431
PR UIN: 11994DE052200

Place: New Delhi
Date: 4th August, 2026

To,

The Members
Morepen Laboratories Limited

Our report of even date is to be read along with this letter.

1) Maintenance of the secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For PD and Associates
Company Secretaries

Praveen Dua
Proprietor
FCS: 3573; CP: 2139,
UDIN: F003573H001003431
PR UIN: 11994DE052200

Place: New Delhi
Date: 4th August, 2026

ANNEXURE 'D'

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the listed entity	–	L24231HP1984PLC006028
2	Name of the listed entity	–	Morepen Laboratories Limited
3	Year of incorporation	–	1984
4	Registered office address	–	Morepen Village, Nalagarh Road, Malkumajra, Baddi, Solan, Himachal Pradesh, 173205
5	Corporate address	–	2nd Floor, Tower C, DLF Cyber Park, Udyog Vihar-III, Sector-20, Gurugram, Haryana-122016
6	E-mail	–	investors@morepen.com
7	Telephone	–	+91-124-4892000
8	Website	–	www.morepen.com
9	Financial year for which reporting is being done	–	01/04/2025 - 31/03/2026
10	Name of the Stock Exchange(s) where shares are listed	–	National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE")
11	Paid-up Capital	–	₹109,58,41,398
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	–	Mr. Sanjay Suri Whole-Time Director sanjay.suri@morepen.com +91-1795-266401-03
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	–	Standalone basis
14	Name of assessment or assurance provider	–	Not mandated for FY 25/26
15	Type of assessment or assurance obtained	–	Not mandated for FY 25/26

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	API Business	Products like Loratadine, Montelukast, Atorvastatin etc	56.33%
2	Medical Devices Business	BP Monitors, Glucometers etc	35.60%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC/HSN/SAC Code	% of total Turnover contributed
1.	Manufacture of pharmaceuticals, medicinal and chemical product (Active Pharmaceutical Ingredients)	210099	56.33%
2.	Manufacture of other medical and dental instruments n.e.c. (Diagnostics)	325005	35.60%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	4	2*	6
International	0	0	0

**Corporate office at Gurugram and registered office at Baddi, Himachal Pradesh.*

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	20+
International (No. of Countries)	80+

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

The contribution of exports is 40% of the total turnover of the entity.

c. **A brief on types of customers**

Morepen distributes its APIs globally across domestic, regulated, and semi-regulated markets, spanning over 80 countries. Its esteemed clientele includes leading global pharmaceutical companies such as Sandoz, Perrigo, and Adamed, with a footprint extending across the USA, Germany, Poland, Japan, Korea, Russia, and Taiwan, as well as Rest-of-World (ROW) markets like Bangladesh, Egypt, Algeria, and the Philippines. Additionally, the company supplies medical devices and formulations directly to the retail segment.

Customer Type	Description	Key Needs
Retail Customers	Individual end-users buying OTC and wellness products	Quality, affordability, ease of use, accessibility
Pharmacies & Retailers	Physical stores selling the company's products to consumers	Reliable supply, competitive pricing, variety
Hospitals & Clinics	Healthcare institutions and professionals	Quality, regulatory compliance, technical support
Distributors & Wholesalers	Bulk buyers supplying to retailers and institutions	Consistent supply, favourable margins, logistics
E-commerce Customers	Online buyers via the company's site or e-commerce platforms	Convenience, quick delivery, authenticity
Corporate & Institutional	Organizations buying for employees or bulk needs	Custom solutions, bulk pricing, after-sales
Business to Business buyers (for API)	Supply of API to formulation manufactures and traders	Quality, Regulatory and supply assurance

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled) :

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No.(C)	%(C/A)
	EMPLOYEES					
1.	Permanent (D)	1314	1188	90.41%	126	9.59%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total Employees (D+E)**	**1314**	**1188**	**90.41%**	**126**	**9.59%**
	WORKERS					
4.	Permanent (F)	605	564	93.22%	41	6.78%
5.	Other than Permanent (G)	1150	967	84.09%	183	15.91%
6.	**Total Workers (F+G)**	**1755**	**1531**	**87.24%**	**224**	**12.76%**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No.(C)	%(C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent(D)	0	0	0	0	0
2.	Other than Permanent(E)	0	0	0	0	0
3.	**Total Differently abled employees (D+E)**	**0**	**0**	**0**	**0**	**0**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent(F)	0	0	0	0	0
5.	Other than Permanent(G)	1	1	100%	0	0
6.	**Total Differently abled workers (F+G)**	**1**	**1**	**100%**	**0**	**0**

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No(B)	%(B/A)
Board of Directors (BoDs)	6	1	16.67%
Key Management Personnel	4*	0	0%

**Two of the KMPs are part of the BODs*

22. Turnover rate for permanent employees and workers (in%)

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.94	12.60	**15.61**	12.80	13.28	**12.85**	12.84	11.41	**12.71**
Permanent Workers	1.83	0.00	**1.71**	0.98	0.00	**0.91**	1.35	0.00	**1.22**

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Morepen Devices Limited	Subsidiary	100%	No
2.	Morepen Rx Limited	Subsidiary	100%	No
3.	Morepen Bio Inc.	Subsidiary	100%	No
4.	Morepen Labs - FZCO.	Subsidiary	100%	No
5.	Morepen Medipath Limited*	Subsidiary	60%	No
6.	Sigmacheck Health Private Limited	Subsidiary	60%	No
7.	Morepen Medical Equipment Trading L.L.C	Subsidiary	60%	No

** Previously known as Morepen Medtech Limited.*

Note - Dr. Morepen Limited, Total Care Limited and Quick Med Private Limited ceased to be subsidiaries with effect from 31 July 2025.

VI. CSR Details

24. (I) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) 16,76,66,92,000
(Note: This is the turnover from operations)

(iii) Net worth (in ₹) 12,45,41,00,000

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

			2025-26			2024-25		
Stakeholder Group from whom complaint is received	Grivance Redressal Mech-anism in Place (Yes/No)	(If yes then- provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Yes, the company have a unified Grievance Redressal Policy which can be accessed using the following web-link	0	0	–	0	0	–
Investors (other than shareholders)	Yes		0	0	–	0	0	–
Shareholders	Yes		2	0	–	0	0	–
Employees and workers	Yes		10	0	–	13	0	Refer to Qn13 of Principle 3 of BRSR report of FY 24/25
Customers	Yes		2	0	Complaints received from customers related to labelling and packaging of the product.	16	0	Refer to Qn 3 of Principle 9 of BRSR report of FY 24/25
Value Chain partners	Yes	-	0	0	–	0	0	–
Other (please specify)	-	-	-	-	-	-	-	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change (GHG Emissions)	Risk	• Stricter environmental regulations across India, the EU, and the US may lead to increased compliance costs, potential penalties, operational disruptions, and restrictions on exports. • Extreme weather events could impact climate sensitive infrastructure, and impact workforce availability. • Variations in temperature and humidity may affect the storage and transportation of sensitive products, resulting in higher spoilage rates and increased logistics costs. • Water scarcity, particularly in key manufacturing regions in India, poses risks of production disruptions and increased costs for alternative sourcing. • Instability in energy supply can lead to operational interruptions and higher energy expenses. • Increasing expectations from investors and customers regarding climate action and transparency may influence business reputation and market access. • Insurance premiums and financing costs may rise for operations exposed to higher environmental and climate-related risks	Adaptation: • Invest in climate-resilient infrastructure and increase the use of renewable energy technologies. • Adopt water-efficient processes. • Implement advanced monitoring systems to strengthen supply chain and logistics management. Mitigation: • Strengthen compliance mechanisms and enhance reporting in line with environmental regulations. • Invest in cleaner technologies, biofuels, and energy-efficient equipment to reduce environmental impact. • Actively participate in industry collaborations to promote best practices and policy advocacy. • Obtain and maintain relevant certifications and undertake periodic third-party audits. • Enhance measurement, tracking, and disclosure of Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions.	Negative Impact: Compliance, adaptation, and technology investments increase short-term costs. Disruptions can impact output, revenue, long-term profitability, market access, insurance and financing costs.
2	Waste Management & Sustainable Packaging	Opportunity	• Reduces environmental pollution and overall footprint, ensuring alignment with Indian and global regulatory requirements. • Strengthens brand reputation among eco-conscious consumers and B2B stakeholders. • Enables long-term cost efficiencies through optimized material usage and reduced waste disposal. • Supports circular economy practices, including increased use of recycled content and improved recyclability. • Prepares the Company for evolving regulations on plastics and hazardous waste management. • Enhances access to green procurement opportunities and sustainability-linked financing. • Minimizes risks related to supply chain disruptions and reputational impact.	Not applicable	Positive Impact: While initial investments may be required, they are offset by lower material consumption and reduced waste disposal costs, along with stronger brand value and better access to new markets and incentives. Improved stakeholder confidence and proactive regulatory compliance further contribute to sustainable, long-term growth.
3	Energy Management	Opportunity	• Delivers significant cost savings through reduced energy consumption and improved process optimization. • Demonstrates environmental leadership, enhancing attractiveness to investors and customers. • Reduces exposure to volatile energy prices and potential supply disruptions, particularly in industrial zones. • Supports the achievement of regulatory requirements and corporate sustainability targets through increased adoption of renewable energy. • Enables access to government incentives, carbon credits, and green financing opportunities.	Not applicable	Positive Impact: Lower energy costs enhanced operational resilience, and access to potential financial incentives contribute to improved profitability. A strong ESG profile further supports investor confidence and may help reduce the overall cost of capital.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			• Strengthens export competitiveness by aligning with global buyer standards and sustainability expectations.		
4	Water manag-ement	Opportunity	• Optimizes water usage, minimizing waste and conserving a critical natural resource. • Ensures operational continuity, particularly in water-stressed regions in India. • Strengthens compliance with environmental regulations and CSR commitments while enhancing corporate reputation. • Supports climate resilience through initiatives such as rainwater harvesting and pond rejuvenation. • Reduces the risk of regulatory penalties and potential production disruptions. • Aligns with stakeholder and community expectations for responsible and sustainable water management.	Not applicable	Positive Impact: Optimized water usage reduces risk of production disruptions, enhances reputation, and access to potential government incentives contribute to improved performance. It also strengthens long-term resilience and supports business continuity.
5	Sustai-nable Supply Chain	Opportunity	• Drives cost efficiencies through improved resource utilization, waste reduction, and operational optimization. • Enhances resilience to disruptions arising from resource scarcity, climate events, and evolving regulatory requirements. • Promotes supplier diversification, reducing dependency on single regions and strengthening supply chain stability.	Not applicable	Positive Impact: Enhances cost efficiency through improved operational resilience, brand image and a stronger reputation thereby resulting in revenue growth, facilitation of market expansion, and improved access to sustainability-linked finance.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			• Strengthens brand reputation and fosters greater customer trust and loyalty. • Anticipates and aligns with global buyer expectations for sustainable and responsible sourcing. • Mitigates ESG-related risks across the upstream supply chain. • Timely disbursement of payment to value chain partners.		
6	Wellbeing of Employees	Opportunity	• Reduces absenteeism, employee turnover, and associated insurance costs. • Enhances productivity and overall operational performance. • Strengthens employer branding, supporting talent attraction and retention. • Lowers healthcare costs through the implementation of employee wellness programs. • Improves employee engagement, satisfaction, motivation and morale and an encouraging positive environment. • Ensures compliance with applicable laws of the land. • Minimizes legal liabilities and reputational risks arising from workplace incidents.	Not applicable	Positive Impact: Lowers operating cost, enhances productivity, and improves talent retention, thereby resulting in prevention of unnecessary cost.
7	Community engagement	Opportunity	• Strengthens trust and reinforces the social license to operate within local communities. • Facilitates access to local	Not applicable	Positive Impact: Strong community relations enables a positive mood, thereby resulting in

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			talent and strategic partnerships. • Mitigates regulatory, reputational, and operational risks. • Supports long-term business sustainability and resilience. • Enhances the impact of CSR initiatives, contributing to improved brand value. • Supports smoother permitting processes and expansion into new geographies.		continuation of positive and encouraging relationship with the local community and in allowing the social license for operating business. Supports long-term market presence and stakeholder goodwill.
8	Product Quality and Safety	Risk	• Failure may result in reputational harm, reduced consumer trust, and a decline in market share. • Regulatory oversight is increasing in both domestic and export markets. Non-compliance may lead to legal actions, monetary penalties, and regulatory scrutiny. • Consumer health risks can give rise to product recalls and legal liabilities. • Adverse events may negatively impact investor confidence and global partnerships. • Social media can rapidly escalate and spread product-related concerns, which may impact confidence of customers resulting in impact of business revenue.	Adaptation: Invest in advanced quality control, real-time monitoring, and robust feedback mechanisms. • Ensure regular employee training and conduct supplier audits. • Collaborate with regulators to maintain compliance. Mitigation: Strengthen product design and manufacturing standards. • Diversify suppliers to reduce the risk of single-point failure. • Establish rapid response protocols for recalls and communication. • Drive continuous innovation and stakeholder engagement.	Negative impact: Recalls, litigation, and loss of sales can significantly affect revenue and profitability. Proactive quality management helps limit potential losses, safeguard reputation, and ensures continued market access.
9	Regulatory Compliances	Opportunity	• Facilitates access to new markets and supports global expansion. • Helps mitigate legal, financial, and operational risks.	Not applicable	Positive Impact: Compliance helps avoid costly penalties and operational disruptions, supports revenue growth, and

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			• Reduces the likelihood of penalties, litigation, and reputational damage. • Attracts investors and lenders who value strong compliance. • Supports stable operations and ensures business continuity. • Prepares the organization for evolving regulations in India and globally.		attracts capital. Strong compliance can also serve as a competitive advantage in highly regulated markets.
10	Cyber-security/ Data Privacy & Security	Risk	• Cyberattacks and data breaches can expose sensitive information, resulting in financial losses, regulatory penalties, and reputational damage. • Non-compliance with data protection regulations (such as GDPR and the Indian PDP Bill) may lead to significant fines. • Ransomware and denial-of-service attacks can disrupt business operations. • Increasing digitalization in the pharmaceutical sector is elevating exposure to cyber risks. • Loss of customer trust can adversely affect long-term revenue. • Regulatory scrutiny and mandatory reporting requirements are increasing globally.	Adaptation: Implement firewalls, encryption, and intrusion detection systems. • Conduct regular security assessments and provide employee training. • Develop comprehensive incident response and disaster recovery plans. Mitigation: • Collaborate with cybersecurity experts and law enforcement agencies. • Ensure continuous monitoring and share threat intelligence. • Regularly update and patch systems to address vulnerabilities.	Negative Impact: Data breaches and operational disruptions can lead to direct financial losses, legal expenses, and loss of business. Proactive investment helps to mitigate risks, safeguard revenue, and maintain stakeholder trust.
11	Intellectual Property and Innovation	Opportunity	• Protects proprietary products and processes, creating barriers to entry. • Enables revenue generation through licensing opportunities and strategic partnerships.	Not applicable	Positive Impact: Monetization of intellectual property, higher sales, and market exclusivity contribute to revenue growth. A strong Intellectual Property

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			• Supports market expansion and strengthens brand differentiation. • Attracts investment and enhances shareholder value. • Plays a critical role in maintaining competitiveness in pharmaceutical R&D. • Facilitates global market approvals and exclusivity rights. • Addresses increasing IP enforcement in India and international markets.		and Innovation portfolio attracts partners and investors while supporting premium pricing.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	https://www.morepen.com/public/img/pdf/BRSR-Policy(12).pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	No								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 37301 (Compliance Management System)		ISO 45001 (Occupational Health and Safety Management System); USFDA; ANVISA; GLP; GMP; PMDA			ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management System)			
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	• The Company has participated in the Eco Vadis sustainability assessment to strengthen its ESG performance. • This initiative will further the Company's participation in globally recognized ESG frameworks and certifications such as the Science Based Targets initiative (SBTi), Carbon Disclosure Project (CDP), SA 8000, and the United Nations Global Compact (UNGC), reinforcing its commitment to responsible business practices and continuous improvement soon.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	• The Company has obtained Integrated Management System (IMS) certification as per ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety), in line with national and international standards • In addition, the company has also obtained certifications as per ISO 37301 (Compliance Management System) and ISO 50001 (Energy Management System). • It has taken a lot of green initiatives, which have been completed on time. • The Company has participated in the Eco Vadis sustainability assessment to strengthen its ESG performance, which is increasingly important for customers and export markets. The company has been able to secure Bronze Medal with a score of 70 in EcoVadis. Which is a significant leap from our previous year's score. • The Company has set ESG based performance targets and commitments which are currently being implemented and are being monitored at periodic interval. No such significant deviation has been observed in respect to meeting of goals against the objective set.								

Governance, Leadership & Oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Amidst global uncertainty and instability, and various other geopolitical challenges, we at Morepen Laboratories Limited have been able to balance our growth without impacting our shareholders confidence. Further, as we conclude the fiscal year 2025/26, we remain steadfast in our commitment to integrate sustainability in every facet of our business activities to create long-term value for our stakeholders. Our dedication to environmental, social, and governance (ESG) principles is fundamental to our growth as we continue to make high-quality affordable healthcare accessible globally. **ESG Challenges and Strategy:** • We have continued with our commitments to make our workplace and operations a better place for our employees as well as contributing to making the world a better place for others. To address these, we have implemented ESG framework that aligns with global standards, including the United Nations Global Compact (UNGC) principles. • We have also obtained Integrated Management System (IMS) certification as per ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), ISO 37301 (Compliance Management System) and ISO 50001 (Energy Management System) in line with national and international standards. • The Company has participated in the Eco Vadis sustainability assessment to strengthen its ESG performance, which is increasingly important for customers and export markets. We have made significant progress in Eco Vadis – we have received bronze medal with a score of 70, which is a significant leap in comparison to the previous year's score. • Our primary focus remains in managing the inherent ESG based material risks associated with our business operations, while simultaneously capitalizing the opportunities. **Key Targets and Achievements:** • Energy and Climate Action: During FY 2025-26, we accelerated our transition toward a greener operational model. As such, we have continued our transition to renewable energy sources and the adoption of energy-efficient technologies to mitigate climate change and support national Net Zero commitments. • Resource Stewardship: We have prioritized the 3Rs (Reduce, Reuse, Recycle) in waste management and implemented advanced water-saving technologies to optimize consumption and ensure responsible wastewater disposal. • Sustainable Development: Our CSR initiatives for this year, as approved by the Board, have targeted rural development, and community-centric sustainable infrastructure projects, such as the installation of solar-powered streetlights, apart from planting trees. • Operational Excellence: Our facilities maintain rigorous international certifications, including WHO-GMP, USFDA, and EDQM, which validate our structured and conscious efforts toward energy management and regulatory compliance. Looking ahead, Morepen Laboratories is committed to further improving the ESG performance across the value chain, investing in cleaner technologies and in further strengthening our ESG disclosures to ensure full transparency and accountability as we grow.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sanjay Suri Whole Time Director DIN: 00041590
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Mr. Sanjay Suri, Whole-Time Director and the Key Managerial Personnel (KMP) responsible for sustainability at Morepen Laboratories Limited, serves as the Head of Sustainability for the Company. He is entrusted with the formulation, implementation, and continuous enhancement of sustainability policies that are aligned with the National Guidelines on Responsible Business Conduct (NGRBC), the Securities and Exchange Board of India's Business Responsibility and Sustainability Reporting (BRSR) framework, and other applicable national and international standards. He is responsible for setting and monitoring sustainability and ESG targets, reviewing the Company's ESG performance, and ensuring compliance with applicable regulatory requirements, environmental norms, and social-governance standards across operations and the value chain. He drives initiatives related to resource efficiency, climate action, waste management, water stewardship, and sustainable procurement, consistent with the Company's broader sustainability mission and policy framework. In this capacity, he provides strategic oversight and direction to the Company's sustainability governance structure, including the Board-level Sustainability Committee and management-level Sustainability Steering Committee, to ensure that Morepen's business operations are aligned with industry best practices and its commitment to responsible, ethical, and sustainable growth. He also promotes stakeholder engagement and community-centric initiatives, reinforcing the Company's role as a responsible corporate citizen in line with NGRBC Principles and the UN Sustainable Development Goals.

10. Details of Review of NGRBCs by the company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, the review was conducted for assessment of compliance requirements specific to the principles of BRSR core by the Sustainability Committee									The review is conducted on an annual basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes, and at periodic intervals as per the legal requirement								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable All the NGRBC Principles (P1 to P9) are comprehensively covered under one or more company-approved policies, which are publicly disclosed on the company's website								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	0	-	0
Key Managerial Personnel	0	-	0
Employees other than Board of Directors (BODs) and Key Management Personnel (KMPs)	235	The Company conducted comprehensive training and awareness programmes for all employees across a broad range of areas, including Good Manufacturing Practices (GMP), Standard Operating Procedures (SOPs), On-the-Job Training, Prevention of Sexual Harassment (POSH) awareness, Business and Human Rights, Safety, Personal Protective Equipment (PPE) usage, Respiratory Protection, Chemical Handling, Productivity Improvement, Product Quality Improvement, Waste Management, Time Management, Health and Wellness, Technical Processes and Emergency Response. By building employee capabilities in environmental management, human rights, and operational excellence, the company reinforces its alignment with the nine BRSR principles, enhances employee well-being, and supports sustainable value creation for all stakeholders.	62.48%
Workers	44	The company has conducted comprehensive training sessions for all workers, encompassing key areas such as On-Job Training, POSH Awareness Training, Human Rights Training, Health & Safety Training, Chemical Handling Training, Good Manufacturing Practices (GMP), safe handling of raw and packaging materials, emergency preparedness, use of fire extinguishers, productivity improvement, prevention of child, forced, and bonded labour, awareness of statutory benefits (including PF, ESI, gratuity, and bonus), adherence to standard operating procedures (SOPs), personal hygiene, housekeeping and teamwork. These initiatives play a vital role in cultivating a safe, compliant, and inclusive work environment, while aligning with applicable legal and regulatory frameworks. They also strengthen workforce awareness by clearly outlining workers rights and responsibilities. Through the integration of operational best practices with robust social safeguards, the company continues to demonstrate its commitment to responsible business conduct and sustainable workforce development.	91.79%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	–	NIL	–	No
Settlement	NIL	–	NIL	–	No
Compounding fee	NIL	–	NIL	–	No

Non–Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	–	–	No
Punishment	NIL	–	–	No

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases here monetary or non-monetary action has been appealed:**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

Yes, the company has an anti-corruption or anti-bribery policy. The company maintains a robust Anti-Corruption and Anti-Bribery Policy that reflects a strict zero-tolerance approach toward any form of bribery or corrupt practices. The policy is applicable to all employees, directors, officers, contractors, consultants, and any third parties acting on behalf of the company. It explicitly prohibits the offering, giving, receiving, or soliciting of bribes-whether in cash or in kind-to secure any undue commercial, contractual, regulatory, or personal advantage. The framework mandates adherence to all relevant anti-corruption regulations, including FERA, Anti-Money Laundering laws, the Foreign Corrupt Practices Act (FCPA), and the UK Bribery Act. The policy further emphasizes accountability and transparency by requiring individuals to promptly report any suspected or actual violations, with assurances of protection against retaliation. Non-compliance may lead to stringent disciplinary measures, including termination and potential legal action. Overall, the policy reinforces ethical conduct and provides clear guidance to identify, prevent, and address corruption-related risks, thereby promoting a fair and responsible business environment.

Link: https://www.morepen.com/public/img/pdf/Anti%20Corruption%20and%20Anti%20Bribery%20Policy%20-%20Morepen.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	0	Not applicable	0	Not applicable
Number of complaints received in relation to issues of conflict of interest of the KMPs	0	Not applicable	0	Not applicable

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest:
   No such cases filed.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables*	83	81

*Trade Payable days have been calculated based on payable only of RM/PM purchases and their expenses.

9. Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameters	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	16.86%	24.16%
	b. Number of trading houses where purchases are made from	253	80
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	47.81%	71.12%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	48.77%	56.01%
	b. Number of dealers / distributors to whom sales are made	1729	1575
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	29.05%	55.15%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0%	0%
	b. Sales (Sales to related parties / Total Sales)	8.01%	10.63%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	5.17%	0%
	d. Investments (Investments in related parties / Total Investments made)	0.26%	0.44%

Leadership Indicators:

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

   Yes, the company has established structured processes to prevent and manage conflicts of interest involving members of its Board, ensuring strong governance and ethical oversight. Board members are expected to proactively avoid situations where personal interests may conflict with those of the company. In instances where a conflict arises or is anticipated, they are required to disclose all relevant details in writing to the Board. Further, both Board members and senior management must refrain from participating in discussions or decision-making processes where such conflicts exist, ensuring appropriate disclosure and recusal. The Board undertakes periodic reviews of related party transactions and potential conflicts in line with its Policy on Related Party Transactions, ensuring compliance with applicable regulations, including SEBI requirements and the Companies Act. Additionally, the Code of Conduct mandates that all Board members and senior management uphold integrity, avoid conflicts, and promptly report any potential issues. These mechanisms form a critical part of the company's governance framework, promoting transparency, accountability, and ethical decision-making at the highest levels.

   Kindly refer to the following:

   For Code of Conduct: https://www.morepen.com/public/img/Code-of-Conduct-for-BoardMembers-and-Senior-Management-Personnel.pdf

   For Policy on Dealing with Related Party Transactions: https://www.morepen.com/public/img/pdf/Policy-onDealings-with-Related-Party-Transactions.pdf

Principle 2 - Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvement in social and environmental impacts
R&D	0	0%	-
Capex	9.39%	0%	1. Boiler Fuel Conversion to Parali (Biomass) - Baddi The boiler fuel was transitioned from conventional fuel to Parali (agricultural biomass), significantly reducing greenhouse gas (GHG) emissions and lowering the overall carbon footprint of the operations. The initiative also promotes the productive utilization of agricultural residue that would otherwise be openly burned. Social and Environmental Impact: 1. Significantly reduced greenhouse gas emissions using renewable biomass fuel. 2. Mitigated the environmental impact of crop residue burning by creating a productive use for Parali. 3. Supported local farmers by providing an additional source of income through the procurement of agricultural residue. 4. Contributed to improved air quality and healthier communities in the surrounding areas. 2. Boiler Conversion from HSD to Dual Fuel (LPG) - Plant 12B, Parwanoo The boiler was upgraded from **High-Speed Diesel (HSD)** to a **dual-fuel system utilizing Liquefied Petroleum Gas (LPG)**. As a cleaner-burning fuel, LPG has enhanced combustion efficiency, reduced atmospheric emissions, and improved the plant's overall environmental performance. Social and Environmental Impact: 1. Reduced emissions of particulate matter and other air pollutants. 2. Improved workplace air quality by minimizing smoke and airborne emissions. 3. Reduced employee exposure to harmful pollutants, supporting better occupational health and safety. 4. Created a cleaner and safer working environment for employees. 5. Lowered the environmental impact on neighbouring communities through reduced air emissions. 3. Installation of Multi-Effect Evaporator (MEE) and Agitated Thin Film Dryer (ATFD) - Baddi A Multi-Effect Evaporator (MEE) was installed to reduce Total Dissolved Solids (TDS) in wastewater, thereby improving effluent

			quality. The Agitated Thin Film Dryer (ATFD) further processes the concentrated residue into dry powder, enabling safer disposal and minimizing odour generated during the effluent treatment process. Social and Environmental Impact: 1. Enhanced wastewater treatment efficiency and improved the quality of treated effluent. 2. Enabled safer handling and disposal of concentrated waste through residue drying. 3. Reduced odour emissions, contributing to a healthier workplace and surrounding environment. 4. Reinforced the Company's commitment to responsible wastewater management and employee well-being. 4. Installation of Dust Collector - Masulkhana A dust collection system was installed to capture particulate matter (PM) generated during manufacturing operations, thereby reducing dust emissions released into the atmosphere. Social and Environmental Impact: 1. Reduced particulate matter emissions, improving ambient air quality. 2. Improved workplace air quality by minimizing airborne dust. 3. Reduced employee exposure to particulate matter, supporting occupational health and safety. 4. Contributed to a cleaner working environment and reduced environmental impact on the surrounding community.

Note: During the period, R&D efforts were primarily aligned with core business priorities, product development, and improving operational efficiency. The Company recognizes the growing significance of environmental and social responsibility and is committed to periodically reviewing its investment strategies to incorporate sustainable technologies, in line with evolving business requirements and regulatory expectations.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   No, the entity has not yet established procedures for sustainable sourcing.

   b. If yes, what percentage of inputs were sourced sustainably?

   Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   The company has established robust internal processes to ensure the safe handling, recycling, and disposal of waste streams generated across its operations, as outlined below:

   (a) Plastics (including packaging):

   Plastic waste generated from packaging and operations is minimized at the source to the extent feasible. All plastic waste is segregated at source and managed in accordance with applicable regulations and disposed of to authorized hazardous waste recyclers which are approved by the local pollution control board authority.

   (b) E-waste:

   E-waste generated primarily from office and laboratory equipment is limited in volume and is handled through a defined process of collection, segregation and storage. The company engages only authorized e-waste recyclers to ensure environmentally sound disposal in compliance with regulatory requirements.

   (c) Hazardous waste:

   Hazardous waste streams, including chemical residues, laboratory waste, and expired or rejected products, are managed through dedicated systems. These include secure storage, controlled transportation, and disposal via authorized and licensed agencies, ensuring adherence to all safety and environmental norms.

   (d) Other (non-hazardous) waste:

   General waste such as paper, office waste, and other recyclable materials is segregated at source and directed to authorized recyclers or municipal waste management systems. The company continuously monitors waste generation and implements waste minimization initiatives supported by employee awareness programs.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Yes, EPR is applicable to certain activities of the company, with specific mention to management of plastic waste. Approvals are being sought for making necessary provisions to be in alignment with the requirements stipulated by the Central and Local Pollution Control Board.

Leadership Indicators:

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
The company has not conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry). However, the company intends to conduct LCA assessments in the coming years for some of its key products.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product /Service	Description of the risk /concern	Action Taken
While the company has not yet undertaken Life Cycle Assessment (LCA) studies for its products, it has implemented an environmental, health & safety, energy and compliance management system as per ISO standards. In this context assessment is carried out to identify adverse environmental or social concerns if arising due to business activities that are conducted by the company. No such significant social or environmental concerns/risks have been identified until the last assessments, which were carried out both in internal as well as external assessments.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	2025-26	2024-25
Solvents	72%	65.98%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable, since the company is engaged in manufacturing of pharmaceutical products.	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators:

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits*		Paternity benefits ^		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1188	427	35.94%	1188	100%	0	0	946	79.63%	0	0
Female	126	57	45.24%	126	100%	126	100%	0	0	0	0
Total	1314	484	36.83%	1314	100%	126	100%	946	79.63%	0	0
Other than permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

*Maternity Benefit is meant for prospective mothers, hence the percentage of females covered by maternity benefit should be over the total number of females working in the organization.

^ Paternity Benefit is meant for prospective fathers; therefore, the percentage of males covered by paternity benefit should be calculated over the total number of male employees working in the organization.

b. Details of measures for the well-being of workers.

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits*		Paternity benefits ^		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	564	297	52.66%	564	100%	0	0	564	100%	0	0
Female	41	14	34.15%	41	100%	41	100%	0	0	0	0
Total	605	311	51.40%	605	100%	41	100%	564	100%	0	0
Other than permanent workers											
Male	967	967	100%	967	100%	0	0	0	0	0	0
Female	183	183	100%	183	100%	183	100%	0	0	0	0
Total	1150	1150	100%	1150	100%	183	100%	0	0	0	0

Maternity Benefit is meant for prospective mothers, hence the percentage of females covered by maternity benefit should be over the total number of females working in the organization.

^ Paternity Benefit is meant for prospective fathers; therefore, the percentage of males covered by paternity benefit should be calculated over the total number of male employees working in the organization.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.37%	0.39%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

	FY 2025-26			FY 2024-25		
Benefits	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	98.86%	99.94%	Yes	91.67%	100%	Yes
Gratuity	100%	100%	Yes	92.86%	100%	Yes
ESI	8.68%	74.99%	Yes	14.81%	77.82%	Yes
Others- (Leave Encash-ment	73.97%	100%	N.A.	67.86%	100%	N.A.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the company is guided by its Equal Opportunity Policy and ensures that its offices are equipped with facilities to support ease of access for all individuals. The corporate offices are fitted with elevators and infrastructure designed to accommodate differently abled persons. Additionally, wheelchair-accessible washrooms are available at the corporate office to enhance accessibility and inclusivity.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the company has established an Equal Opportunity Policy in alignment with compliance requirements specific to Rights of Persons with Disabilities Act, 2016.

Policy is accessible at: https://www.morepen.com/public/img/pdf/Equal%20Opportunity%20Policy%20-%20Morepen.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	45.45%	100%	100%	100%
Total	82.35%	100%	100%	100%

Note - Out of the 11 female employees who availed maternity leave, 6 were scheduled to return to work after 31st March 2026. Of these, 3 employees have already resumed their duties during the current financial year, while the remaining 3 are expected to rejoin upon completion of their maternity leave. Additionally, 2 employees whose return to work was pending from the previous financial year have resumed their duties during the current financial year. These employees were included in the previous year's return-to-work calculation, which resulted in an 81% return rate. Accordingly, their rejoining in the current year has also be taken into consideration while interpreting the overall return-to-work statistics.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	YES/NO (If YES, then give details of the mechanism in brief)
Permanent Workers	Yes*
Other than Permanent Workers	Yes*
Permanent Employees	Yes*
Other than Permanent Employees	Yes*

**In the context of Morepen Laboratories Limited, a structured and transparent grievance redressal mechanism is in place to address concerns across all categories of employees and workers. The mechanism is governed by a formal Grievance Redressal Policy, which enables individuals to raise concerns in a confidential manner without fear of retaliation, thereby fostering a safe and supportive work environment. Grievances can be reported initially to the immediate supervisor, who is expected to address the issue within a defined timeline. If unresolved, the matter may be escalated sequentially to the HR department, the Plant Head, and ultimately to the Director, ensuring a clear and time-bound escalation framework. The process is further strengthened by a Social Performance Team (SPT), comprising representatives from HR, administration, technical functions, and workers, which ensures impartial review and transparency. The SPT oversees grievance handling, conducts root-cause analysis, and ensures implementation of corrective actions to prevent recurrence. All grievances are systematically documented, tracked, and periodically reviewed in management meetings, with key outcomes reported to the Board. This structured approach ensures effective resolution, accountability, and continuous improvement across all employee and worker categories.*

Grievance Redressal Policy is available at: https://www.morepen.com/public/img/pdf/Greivance%20Redressal%20Policy%20-% 20Morepen.pdf

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	**1314**	**0**	**0**	**1248**	**0**	**0**
Male	1188	0	0	1120	0	0
Female	126	0	0	128	0	0
Total Permanent Workers	**605**	**0**	**0**	**566**	**0**	**0**
Male	564	0	0	527	0	0
Female	41	0	0	39	0	0

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measure		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1188	473	39.81%	381	32.07%	1,210	779	64.38%	901	74.46%
Female	126	21	16.67%	36	28.57%	134	61	45.52%	83	61.94%
Total	1314	494	37.60%	417	31.74%	1,344	840	62.50%	984	73.21%
Workers										
Male	1531	1084	70.80%	728	47.55%	1540	1,351	87.73%	1,449	94.09%
Female	224	192	85.71%	201	89.73%	241	199	82.57%	200	82.99%
Total	1755	1276	72.71%	929	52.93%	1781	1,550	87.03%	1,649	92.59%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,188	1059	89.14%	1,210	1,207	99.75%
Female	126	118	93.65%	134	131	97.76%
Total	**1,314**	**1177**	**89.57%**	**1,344**	**1,338**	**99.55%**
Workers						
Male	1,531	1,531	100%	1,540	1,521	98.77%
Female	224	224	100%	241	241	100%
Total	**1,755**	**1,755**	**100%**	**1,781**	**1,762**	**98.93%**

10. Health & Safety Management System

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, we have established and are implementing a Health & Safety Management System in alignment with ISO 45001 which has been certified in the last Financial Year. The coverage of this system is across all manufacturing facilities and corporate office.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company has established processes and procedures in respect to Job Safety Analysis (JSA) through permit to work, regular safety audits, Hazard Identification and Risk Assessment (HIRA), employee safety training, etc. In addition, the company conducts routine inspections, internal and external assessments of its EHS management systems to identify work related hazards and risks, if any.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the company has defined processes for workers to report the work-related hazards and to remove themselves from such risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, employees/ worker has access to non-occupational medical and healthcare services.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	FY 2025-26		FY 2024-25	
	Employees	Workers*	Employees	Workers
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	0	0.24	0	0.64 ^
Total recordable work-related injuries	0	1	0	4 ^
No. of fatalities	0	0	0	0
High consequence work-related injury or ill-health (excluding fatalities)	0	0	0	0

* Including in the contract workforce
^ Data has been revised

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The company has established and is implementing a Health & Safety Management System in alignment with ISO 45001 which has been certified in the last Financial Year. The company has a robust EHS policy which focuses on safeguarding well-being of all stakeholders relevant to the organization, while ensuring adherence to applicable regulations and recognized industry standards. To strengthen this framework, performance is regularly evaluated through management review meetings aimed at driving continual improvement. The company also undertakes routine internal audits and site inspections to evaluate safety practices and promptly address any identified gaps. Incidents and potential hazards are systematically reviewed to identify underlying causes, with corrective and preventive measures implemented to mitigate risks and avoid recurrence.

13. Number of complaints on the following made by employees and workers;

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Not Applicable	11	0	All complaints related to working conditions filed during the year were promptly acknowledged and resolved within defined timelines, demonstrating the company's commitment to maintaining a supportive and responsive work environment. Each complaint was carefully reviewed, with immediate corrective actions taken to address concerns. No complaints remained pending at the end of the year, reflecting the effectiveness of the company's grievance redressal mechanisms and dedication to continuous improvement in workplace conditions
Health & Safety	0	0	Not Applicable	2	0	All health and safety complaints received during the year were promptly acknowledged and resolved within defined timelines, demonstrating the company's commitment to a safe workplace and effective grievance redressal. Each issue was thoroughly investigated, with corrective actions implemented to address root causes and prevent recurrence. The timely closure of all complaints reflects strong employee awareness, transparent reporting channels, and a proactive approach to maintaining high health and safety standards across all facilities.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Throughout the year, no material or high-risk concerns related to health, safety, or workplace conditions were identified, indicating the robustness of the company's preventive controls and monitoring mechanisms in respect to health and safety. All concerns raised whether pertaining to occupational health, safety, or working conditions were addressed in a timely and structured manner. Whenever issues are identified, immediate corrective measures are undertaken, supported by detailed root cause analysis to minimize the likelihood of recurrence. The EHS function plays a proactive role in ensuring that employees and workers are equipped with adequate training and periodic refreshers, enabling them to identify, report, and manage potential risks effectively. This is further reinforced through regular management reviews and internal audits, which support continuous enhancement of occupational health and safety standards. That the company is certified to ISO 45001 (Occupational Health and Safety Management System) and ISO 37301 (Compliance Management System) is a testimony that we have an effective and appropriate process and procedures to address corrective measures for any adverse health and safety and working conditions based adverse risks or concerns.

Leadership Indicators:

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the company provides term-life insurance coverage to all employees and workers in the manufacturing facilities. In the unfortunate event of the death of an insured employee or worker, the designated nominee is entitled to receive the applicable insurance benefits in accordance with the terms and conditions of the policy.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

The company requires its value chain partners to comply with applicable labour and social security laws. As part of the compliance monitoring process, PF and ESI challans are collected and reviewed periodically to ensure that statutory dues have been duly deducted and deposited with the relevant authorities.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	1	4 ^	0	0

^ Data has been revised

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the company offers transition assistance programs designed to support the continued employability of its workforce and effectively manage career endings resulting from retirement or termination. These initiatives include career counseling, job placement services, opportunities for senior personnel to serve as consultants' post-retirement, and comprehensive retirement planning, ensuring a positive and supportive transition for all employees.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working conditions	-

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

During the reporting year, the assessments conducted did not identify any significant or severe risks related to occupational health, safety, or working conditions, demonstrating the effectiveness of the Company's preventive controls, risk management practices, and continuous monitoring mechanisms. The Company remains committed to maintaining a safe, healthy, and supportive work environment. All grievances and complaints pertaining to health, safety, or working conditions were addressed in a timely and effective manner. Based on internal records, the average resolution time for complaints received during the year was 17 days, reflecting the Company's responsiveness and commitment to employee well-being. Whenever any concern or non-conformance is identified, appropriate corrective and preventive actions are implemented promptly. Root cause analyses are undertaken to address underlying issues and minimize the likelihood of recurrence. The Environment, Health and Safety (EHS) team regularly conducts awareness programs, training sessions, and refresher courses to equip employees and workers with the knowledge and skills required to identify, report, and mitigate workplace hazards effectively. In addition, periodic audits, management reviews, and continuous monitoring processes are carried out to strengthen the Company's occupational health and safety framework and drive continual improvement in workplace standards and performance.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The company adopts a structured approach to identify and classify its stakeholders based on their significance to the business, considering factors such as influence, level of interest, and potential impact. This assessment is supported by ongoing engagement mechanisms, including surveys and feedback channels, which help capture stakeholder expectations and concerns. To ensure continued relevance, the stakeholder register is periodically revisited and refined in alignment with changing business dynamics and sustainability priorities, while remaining consistent with recognized industry practices.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Users and Consumers, (B2C & B2B)	No	• Email • Website • E-commerce Platforms	As and when required	The company actively engages with customers to gather input on its products and services, respond to queries and concerns, and communicate updates on new offerings and developments. These interactions primarily center on product performance, safety standards, and market competitiveness, enabling the company to continuously refine its value proposition.
Shareholders/ Investors	No	• Email • Website • Investor presentations • Annual/ Quarterly Reports	Quarterly or Event based	The company conducts regular interactions with shareholders to communicate its financial performance, outline strategic priorities, and address investor queries. These engagements typically cover key areas such as financial outcomes, business strategy, governance practices, and compliance with regulatory requirements.
Local Community	Yes	• Community meetings • Website • Directly or indirectly through NGOs	Annual	The company engages with local communities to understand and respond to their concerns, while also providing transparency on its environmental footprint and operational impacts. Through its CSR initiatives, it contributes to health, development, and welfare programmes within the surrounding areas. Key areas of focus include community development, support for disadvantaged groups, and clear communication regarding activities that may influence the local ecosystem and population.
Employees and workers	No	• Email • Newsletters • Notice boards • Websites • Appraisal cycles • Training programmes (onsite and inhouse)	Periodic	The company prioritizes regular interaction with employees to communicate organizational updates, discuss working conditions, and gather feedback. It also emphasizes career growth by supporting development initiatives, while addressing employee concerns and ensuring clear communication of policies, benefits, and workplace practices.
Suppliers/ Vendors	No	• Email • In-person meetings • Virtual meetings	As and when required	The company collaborates closely with its suppliers and vendors to align on business requirements, convey quality expectations, and resolve any concerns related to product or service delivery. Inputs and feedback from these interactions are leveraged to strengthen coordination, enhance performance, and ensure adherence to the company's standards and expectations.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The company ensures consistent and open interaction with its stakeholders on key economic, environmental, and social matters through well-defined engagement channels such as discussions, surveys, and feedback mechanisms facilitated by senior leadership. Relevant information is shared in a timely manner, with due consideration given to confidentiality where required. While formal Board-level engagement processes are in the process of being institutionalized, insights from stakeholder interactions are consolidated and presented to the Board to support informed decision-making. Where engagement responsibilities are delegated, established protocols ensure that stakeholder inputs are systematically captured and communicated to the Board, reinforcing effective governance and accountability.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, engaging with stakeholders serves as a key mechanism for recognizing and addressing critical environmental and social issues. The company undertakes a structured materiality assessment to determine ESG topics that are significant from both a business perspective and stakeholder expectations. Based on the outcomes of this process, the management and the Board at Morepen integrate relevant elements into policies and operational frameworks to effectively respond to identified concerns. This enables the company to develop appropriate strategies for risk mitigation, adaptation, and leveraging emerging opportunities.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The company takes a proactive and structured approach to identifying and engaging with vulnerable and underserved groups, primarily through its CSR programmes. It undertakes periodic need assessments to ensure that interventions are aligned with the most critical requirements of local communities. Over time, the company has implemented initiatives such as healthcare camps, rural development projects, women's empowerment programmes, environmental conservation efforts, sanitation improvements, and access to safe drinking water. These initiatives are designed in collaboration with community stakeholders to enhance their relevance and effectiveness, while contributing to inclusive growth and social equity. This approach ensures that CSR efforts remain need-based, outcome-oriented, and closely aligned with the priorities of the communities they serve.

PRINCIPLE 5: Businesses should respect and promote human rights.

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,314	658	50.08%	1,248	784	62.82%
Other than permanent	0	0	0	96	83	86.46%
Total Employees	1,314	658	50.08%	1,344	867	64.51%
Workers						
Permanent	605	297	49.09%	566	317	56.01%
Other than permanent	1,150	1,150	100%	1,215	1,075	88.48%
Total Employees	1,755	1,447	82.45%	1,781	1,392	78.16%

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1,314	23	1.75%	1,291	98.25%	1,248	37	2.96%	1,211	97.04%
Male	1,188	21	1.77%	1,167	98.23%	1,120	28	2.50%	1,092	97.5%
Female	126	2	1.59%	124	98.41%	128	9	7.03 %	119	92.97%
Other than Permanent	0	0	0	0	0	96	0	0%	96	100%
Male	0	0	0	0	0	90	0	0%	90	100%
Female	0	0	0	0	0	6	0	0%	6	100%
Workers										
Permanent	605	0	0	605	100%	566	1	0.18%	565	99.82%
Male	564	0	0	564	100%	527	1	0.19%	526	99.81%
Female	41	0	0	41	100%	39	0	0%	39	100%
Other than Permanent	1150	5	0.43%	1145	99.57	1215	339	27.90%	856	70.45%
Male	967	5	0.52	962	99.48	1013	334	32.98%	658	64.96%
Female	183	0	0	183	100%	202	5	2.46%	198	98.02%

3. **Details of remuneration/salary/wages:**

   a. Median remuneration/ wages:

	Male		Female	
	Number*	Median remuneration/salary/ wages of respective category (Amount in ₹)	Number	Median remuneration/salary/ wages of respective category (Amount in ₹)
Board of Directors*	2	2,23,92,423	0	0
Key Managerial Personnel	2	1,06,95,018	0	0
Employees other than BoD and KMP	1,184	4,66,795	126	5,06,205
Workers	1,531	1,80,000	224	1,75,104

**Remuneration is not applicable to the independent directors*

Mr. Sushil Suri, Chairman and Managing Director, and Mr. Sanjay Suri, Whole-time Director, are both KMPs. Their remuneration has been included in the BODs. The total number of BoDs (both full-time and independent) is provided in the 'General Disclosures' Section.

b. Gross wages paid to females as % of total wages paid by the entity. In the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	11.39%	11.14%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, we have a focal point (Human Resource Department) responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   The company has implemented a formal grievance redressal framework, accessible through its website, to address human rights–related concerns raised by both employees and external stakeholders. This process, managed by the HR department, follows a structured and transparent approach for lodging, reviewing, and resolving complaints, with timely communication of outcomes to the concerned parties. To ensure inclusivity and protection of vulnerable groups, the mechanism incorporates provisions such as anonymity, safeguards against retaliation, and culturally appropriate procedures. Ongoing training and awareness programmes are conducted to familiarize employees and stakeholders with human rights principles and the use of the grievance system. The effectiveness of the mechanism is regularly assessed and refined through continuous monitoring and evaluation. Going forward we are also trying to strengthen our internal mechanisms for strengthening human rights related matters specific to adversely impacted external stakeholders, if any.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees/ workers	0.29%	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

The company's grievance redressal framework is designed to safeguard complainants from any negative repercussions in cases related to discrimination or harassment. It incorporates secure and confidential reporting avenues, ensures unbiased and comprehensive investigations, and facilitates prompt corrective measures to address such concerns. In addition, periodic training programmes are conducted for employees and workers to promote a respectful work environment and strengthen awareness of these protections.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, some of the company's agreements are integrated with human rights requirements, which includes compliance of labour laws including prohibition to employee child labour and prevention from sexual harassment and any kind of discrimination. The company will ensure to capture aforesaid requirement as a forming part of all business agreements and contracts in due course of time. Additionally, the company's human rights policy also mandated protection of human rights by its contractors and suppliers.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Other human rights related issues	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No such significant risk/concern has been identified.

Leadership Indicators

1. Details of a business process being modified / introduced because of addressing human rights grievances/complaints.

As no complaints or grievances were reported during the year under review, hence no changes or enhancements to existing business processes were felt necessary for making any such change.

2. Details of the scope and coverage of any Human rights due diligence conducted.

During the reporting period, the company conducted internal reviews to assess potential human rights risks, following its established procedures for such evaluations. These assessments were carried out based on relevant human rights-based assessment procedures, in alignment with SA 8000 standards and the Environmental and Social Management System (ESMS) framework. The assessment covered key areas such as child labour, forced labour, wages, sexual harassment, and bonded labour, and was conducted across manufacturing units as well as the corporate office. The company continues to reinforce its commitment to protecting human rights throughout its operations by undertaking periodic internal reviews and engaging with stakeholders to identify and mitigate potential human rights-based risks.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, our premises/offices are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	–
Discrimination at workplace	–
Child Labour	–
Forced Labour/Involuntary Labour	–
Labour	–
Wages	–
Others – please specify	–

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Based on the outcomes of the assessments, no such significant risk/concern has been identified by the company.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26	FY 2024-25*
From renewable sources		
Total electricity consumption (A)	1244.41 GJ	0 GJ
Total fuel consumption (B)	265617.30 GJ	261073.78 GJ
Energy consumption through other sources (C)	0.00 GJ	0 GJ
Total energy consumed from renewable sources (A+B+C)	**266861.71 GJ**	**261073.78 GJ**

From non-renewable sources		
Total electricity consumption (D)	116367.90 GJ	98812.84 GJ
Total fuel consumption (E)	73541.96 GJ	77854.72 GJ
Energy consumption through other sources (F)	0 GJ	0 GJ
Total energy consumed from non-renewable sources (D+E+F)	**189909.86 GJ**	**176667.56 GJ**
Total energy consumed (A+B+C+D+E+F)	**456771.57 GJ**	**437741.34 GJ**
Energy intensity per rupee of turnover *(Total energy consumed / turnover in rupees)*	272.43 GJ/Crore INR	282.97 GJ/Crore INR
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	5541.18 GJ/ PPP adjusted revenue in Crore USD	5682.00 GJ/ PPP adjusted revenue in Crore USD
Energy intensity in terms of physical output^	654.79 GJ/MT	803.195 GJ/MT
Energy intensity (optional) – the relevant metric may be selected by the entity	–	–

**Data has been revised*

^ Does not include the physical output of the instrumentations manufactured

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)**

   No, the company does not have any site or facility identified as Designated Consumers (DCs) under the Government of India's Performance, Achieve and Trade (PAT) Scheme.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26	FY 2024-25*
Water withdrawal by source		
(i) Surface water	0 Kl	0 Kl
(ii) Groundwater	97952.47 Kl	96154.229 Kl
(iii) Third party water	35896.39 Kl	24227 Kl
(iv) Seawater / desalinated water	0 Kl	0 Kl
(v) Others	0 Kl	0 Kl
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**133848.97 Kl**	**120381.23 Kl**
Total volume of water consumption (in kilolitres)	**99478.86 Kl**	**120381.23 Kl**
Water intensity per rupee of turnover (Water consumed / turnover)	59.33 Kl/ Crore of INR	77.82 Kl / Crore of INR
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	1206.79 Kl/PPP Adjusted revenue in Crore USD	1607.74 Kl/PPP adjusted revenue in Crore USD
Water intensity in terms of physical output^	142.60 Kl/MT	220.88 Kl/MT
Water intensity (optional) – the relevant metric may be selected by the entity	–	–

**Data has been revised*

^ Does not include the physical output of the instrumentations manufactured

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26	FY 2024-25*
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0.00	0.00
With treatment - please specify level of treatment	0.00	0.00
(ii) To Groundwater	0.00	0.00
- No treatment	0.00	0.00
- With treatment - please specify level of treatment	0.00	0.00
(iii) To Seawater	0.00	0.00
- No treatment	0.00	0.00
- With treatment - please specify level of treatment	0.00	0.00
(iv) Sent to third-parties^	38,993.46 Kl	39,940.00 Kl
- No treatment	4,580.16 Kl	0.00
- With treatment - please specify level of treatment	34,413.3 Kl (Primary Treatment)	39,940.00 Kl
(v) Others	0	157.60 Kl
- No treatment	0 Kl	0 Kl
- With treatment - please specify level of treatment	0 Kl	157.60 Kl
Total water discharged (in kilolitres)	**38,993.46 Kl**	**40,097.60 Kl**

*Data has been revised

^ Discharge done outside the plant premise is only accounted.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   The company operates a Zero Liquid Discharge (ZLD) system at its Masulkhana facility, where all wastewater is treated, recycled, and reused within the plant. Through multi-stage treatment and reverse osmosis, water is recovered for reuse, while residual solids are safely disposed, ensuring minimal environmental impact and efficient resource utilization.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter*	Please specify unit	FY 2025-26	FY 2024-25
NOx	mg/Nm^3	225.72	45.33 MT
SOx	mg/Nm^3	27.84	21.84 MT
Particulate matter (PM)	mg/Nm^3	51.96	43.84 MT

** Emissions are only for DG Set and Boilers has been reported based on concentration values*

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes, by concerned state pollution control boards.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2025-26	2024-25*
Total Scope 1 emissions	Metric tonnes of CO_2 equivalent	4977.55	5941.30
Total Scope 2 emissions	Metric tonnes of CO_2	22950.33	19953.89
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	Metric tonnes of CO_2 equivalent of Scope 1 and Metric tonnes of CO_2 of Scope 2 / Crores of INR	16.66	16.74
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 equivalent of Scope 1 and Metric tonnes of CO_2 of Scope 2 / PPP adjusted revenue in Crore USD	338.80	345.84
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2 equivalent of Scope 1 and Metric tonnes of CO_2 of Scope 2 /Metric tonnes of Production	40.04	47.51
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	–	–	–

*Data has been revised

In addition to the above, the GHG emission from the biogenic sources is 29,126.17 MT CO_2

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N): No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Morepen Laboratories Limited has initiated the integration of renewable energy into its decarbonization strategy. The company is adopting renewable technologies to enhance energy reliability and reduce carbon emissions, along with the use of energy-efficient equipment, cleaner technologies, biofuels for utilities, and cleaner mobility solutions. Additionally, the company has transitioned to eco-friendly refrigerant gas (R410) across its operations. Morepen also emphasizes reducing its carbon footprint through circular economy practices such as recycling, reuse, and responsible resource management.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25*
Total Waste generated (in metric tonnes)		
Plastic waste (A) ^	–	–
E-waste(B)	0.85 MT	0 MT
Bio-medical waste (C)	0.41 MT	0.09 MT
Construction and demolition waste (D)	0.00 MT	0 MT
Battery waste (E)	0.28 MT	0 MT
Radioactive waste (F)	Not Applicable	Not Applicable
Other Hazardous waste (G). Used Oil, discarded container with hazardous chemicals, Rubber Scrap	5445.75 MT	8487.51 MT
Other Non-hazardous waste generated (H). Please specify, if any.	115.91 MT	73.2 MT
Total (A + B + C + D + E + F + G + H)	5563.21 MT	8560.80 MT
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations)	3.32 MT/ Crore of INR	5.53 MT/ Crore of INR
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	67.48 MT/PPP adjusted revenue in Crore USD	111.12 MT/ Crore USD
Waste intensity in terms of physical output	7.97	15.71
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	3743.17 MT	2936.48 MT
(ii) Re-used	0 MT	0 MT
(iii) Other recovery operations	0 MT	0 MT
Total	3743.17 MT[Note1]	2936.48 MT[Note3]
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.41 MT	0.09 MT
(ii) Landfilling	995.47 MT	1185.00 MT
(iii) Other disposal operations	53.387 MT	62.951 MT
Total	1049.26 MT[Note2]	1248.04 MT[Note4]

*Data has been revised

Note 1 – Comprises e-waste and other hazardous waste of 0.854 MT and 3742.31MT respectively for FY 25-26.

Note 2 – Comprises bio-medical waste, other hazardous waste (landfilling, incinerated and other disposal operations) and other non-hazardous waste of 0.414 MT, 995.47 MT, 45.195 MT and 8.192 MT respectively for FY 25-26.

Note 3 – Comprises other hazardous waste of 2936.48MT respectively for FY 24-25.

Note 4 – Comprises bio-medical waste, other hazardous waste (landfilling, incinerated and other disposal operations) and other non-hazardous waste of 0.09 MT, 1185 MT, 62.951 MT respectively for FY 24-25.

^ Plastic waste EPR registration applied and is under progress, once approved all plastic waste data shall be filed as plastic waste annual report.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The company follows structured waste management practices across all locations to ensure safe handling and regulatory compliance. At Baddi, Masulkhana, and Parwanoo, waste is segregated, securely stored, and disposed of through authorized agencies, with efforts to reduce generation through process improvements and solvent recovery. Employees are trained regularly, and SOPs are strictly followed. At the Head Office, waste is managed by the BMS team through an authorized vendor with proper segregation systems. Across operations, the company focuses on minimizing hazardous material use, promoting recycling, and reducing landfill dependency through continuous monitoring and process optimization.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No, it was done at time of EC granted,

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes, the entity is compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:
(i) Name of the area
(ii) Nature of operations
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not applicable as none of the sites are in water stress areas.	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover *(Water consumed / turnover)*		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment /evaluation /assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency

2. Please provide details of total Scope 3 emissions* & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25*
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MT of Co_2 equivalent	Not accounted	73306.31
Total Scope 3 emissions per rupee of turnover	MT of CO_2 eq/Crore INR	Not accounted	47.39
Total Scope 3 emissions intensity *(Optional)*-the relevant metric may be selected by the entity	MT of CO_2 eq/Crore of USD	Not accounted	979.03

*Specific to Scope 3 Categories 1, 2, 3 and 5 (For category 1 - GHG emission is on account of materials that are brought inside the stores in all the manufacturing facilities and corporate office only, as well as services in all manufacturing facilities and offices. The purchased goods considered are consumable item, packaging material, raw materials and services. In respect to services, administrative facility support, legal, securities, advertisement, laboratories, testing, computer and telecommunication services have only been considered; For category 2 - GHG emission of manufacturing facilities have only been considered in this case, comprising of electronic devices, IT hardware, motor pump, compressors, DG sets, power driven hand tools, large electrical machine and components; and For category 3 - Only fuel is considered. WTT for fuel purchased has been considered)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Independent assessment was carried out for the above Scope 3 data in FY 24/25. The Scope 3 data of the company of the FY 25/26 has not yet been assessed.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

None of the manufacturing facilities of the company fall under any ecological sensitive area. Further our business operations have not caused any adverse impact on the local biodiversity, however being a responsible corporate citizen, we take measures that we feel is appropriate for protection of biodiversity.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Use of LPG fuel in boiler operation	During FY 2025–26, the fuel used in the boilers at the Parwanoo and Masulkhana facilities was transitioned to LPG as part of an initiative to adopt lower-emission fuel sources and reduce environmental impact.	The transition to LPG, a cleaner-burning fuel, has significantly reduced air pollutant emissions, resulting in negligible SOx and NOx emissions and zero particulate matter (PM) emissions from boiler operations.
2	Solar Plant Installation (955 KW)	In January, a 955-kW solar power plant was installed at the Baddi facility to promote the use of renewable energy, reduce greenhouse gas emissions, and support sustainable operations.	Lower carbon emissions and reduced dependence on conventional energy sources.
3	Installation of Multi-effect Evaporator (250 Kl)	A 250 KL Multi-Effect Evaporator (MEE) was installed at the Baddi plant in January to strengthen wastewater management and enhance water recovery and reuse.	Enhanced water recovery and reduced freshwater consumption.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The company has implemented a comprehensive business continuity and disaster management framework to address risks such as natural disasters, pandemics, and supply disruptions. It ensures crisis preparedness through trained teams, backup systems, strategic reserves, and diversified sourcing by onboarding multiple and local vendors, with regular reviews to maintain effectiveness and resilience.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant environmental impacts from the value chain were identified during the reporting year. While formal assessments of partners are yet to begin, the company plans to initiate them soon. Meanwhile, it is managing potential risks through waste reduction, recycling, and emission control, with plans to adopt life cycle assessments and strengthen partner engagement.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The company is planning for considering active measures for assessment of environmental impacts of the value chain partners.

8. How many Green Credits have been generated or procured:

a. By the listed entity

No such assessment has been conducted in respect to generation or procurement of green credits by the company.

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners

No such assessment has been conducted in respect to generation or procurement of green credits for the value chain partners by the company.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The company is affiliated with two numbers of trade and industry chambers/ associations

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	PHD Chamber of Commerce and Industry (PHDCCI)	National
2	Confederation of Indian Industry (CII)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable*	Not Applicable*	Not Applicable*

*No such order on anti-competitive conduct has been issued against Morepen Laboratories Ltd. by any regulatory authority.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information is available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1.	None as such	Not Applicable	Not Applicable	Not Applicable	Not Applicable

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			The Social Impact Assessment task has not yet been completed; however, the number of beneficiaries under CSR has been identified.		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

We have Grievance Redressal Policy which addresses the mechanisms to receive and redress grievances of the community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	2.31%	0.77%
Directly from within India	38.94%	36.92%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	21.22%	21.85 %
Semi-Urban	44.38%	48.68 %
Urban	4.33%	8.08 %
Metropolitan	30.06%	21.41 %

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
None as such	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.No.	State	Aspirational District	Amount spent (in INR)
_	_	_	_

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, we don't have preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups. However, we propose to develop such a policy soon for the benefit of marginalized and vulnerable groups.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable, since no such preferential procurement policy has been developed wherein preference of purchase is currently given to suppliers comprising marginalized /vulnerable groups for procurement.

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable as such.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	Not Applicable	Not Applicable	Morepen has not derived any benefits or shared any intellectual property based on traditional knowledge.	Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

No disputes have been reported regarding the use of traditional knowledge.

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Charitable dispensary – consultancy and free of cost medical aids.	2000	50%
2	Skill development / apprenticeship training, infrastructure to schools	2000 through school infrastructure+ 650 apprentices	79%
3	Rural Transformation – Installation of streetlights, construction of retaining wall, pathway and development of community hall etc	1000	70%
4	Financial assistant to underprivileged- Widow pension, financial support and help to the poor.	14	50% in each category
5	Tree plantation	500	60%
6	Financial assistant to underprivileged- financial support and help to the poor.	9	77%
7	Financial support to vulnerable sections of society	3	100% in vulnerable section

PRINCIPLE 9 Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

The company has established systems to capture and address customer feedback and complaints through accessible channels and compliant product information. Inputs are analysed under PMS processes, including e-commerce insights. Complaints are investigated promptly, with CAPA implemented where required, supported by ongoing trend analysis to enhance product performance and ensure regulatory compliance.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	100% of the formulation products and medical devices carry information on safe and responsible usage.
Recycling and/or safe disposal	0%

3. Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	NIL	NIL	-
Advertising	0	0	-	NIL	NIL	-
Cyber-security	0	0	-	NIL	NIL	-
Delivery of essential services	0	0	-	NIL	NIL	-
Restrictive Trade Practices	0	0	-	NIL	NIL	-
Unfair Trade Practices	0	0	-	NIL	NIL	-
Other	0	0	-	16	0	All complaints received pertain exclusively to product quality, labelling, or packaging. Each complaint is thoroughly investigated, and some had found invalid upon review.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	Not applicable
Forced recalls	2	1. Labelling issue 2. During routine quality assessment, a dissolution test observation was identified and addressed through the Company's standard quality review process.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes, we have a framework/ policy on cyber security and risks related to data privacy https://www.morepen.com/public/img/pdf/Morepen%20Risk%20Assessment%20-%20IT.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   No such issue has been identified in respect to issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

7. **Provide the following information relating to data breaches:**

a.	Number of instances of data breaches	0
b.	Percentage of data breaches involving personally identifiable information of customers	0%
c.	Impact, if any, of the data breaches	None

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The products and services can be accessed at the website of the company through different web links as under:

   API products : https://www.morepen.com/api

   Medical Device : https://www.morepen.com/homehealth

   Finished formulations : https://www.morepen.com/formulations

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:**

   The company promotes safe product usage by providing detailed Instructions for Use (IFU) covering composition, dosage, storage, and safety precautions. Product packaging includes a toll-free support number, with assistance available via multiple channels, ensuring consumers have clear guidance and timely support, while meeting all applicable regulatory requirements.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   We do not have any such mechanism in place to inform consumers of any risk of disruption/discontinuation of essential services. However, we process develop the same soon.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, we share information in accordance with applicable government guidelines for the products manufactured by us. Yes, the company evaluates customer satisfaction through structured surveys and established feedback mechanisms. Insights are consolidated into Post Market Surveillance (PMS) reports, which also incorporate inputs from e-commerce platforms, providing a well-rounded understanding of customer experience and product performance.

ANNEXURE 'E'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ('CSR') ACTIVITIES

1. **Brief outline on CSR Policy of the Company.**

   The Company's CSR policy is strategically designed to promote sustainable socio-economic development in the communities where it operates. Guided by ethical business practices and a long-term commitment to creating shared value, the Company undertakes initiatives that contribute to inclusive growth and lasting social impact. The key focus areas are as under:

   Healthcare Initiatives

   The Company is committed to improving community health and well-being through preventive healthcare programs. Key initiatives include charitable dispensary, the organization of medical camps, health screening drives, and awareness campaigns aimed at enhancing access to healthcare services and promoting healthy lifestyles.

   Education and Skill Development

   The Company supports educational advancement by providing scholarships, strengthening educational infrastructure, and facilitating vocational training programs. These initiatives are designed to enhance learning opportunities, develop employable skills, and empower individuals to achieve sustainable livelihoods.

   Environmental Sustainability

   The Company actively promotes environmental stewardship through initiatives focused on natural resource conservation and environmental awareness. These efforts contribute to biodiversity preservation, water conservation, and sustainable land management.

   Rural Development

   The Company undertakes programs aimed at improving the quality of life in rural communities through various development initiatives, infrastructure enhancement, and livelihood generation initiatives. These efforts are intended to foster economic resilience, strengthen rural ecosystems, and support sustainable community development.

2. **Composition of CSR Committee.**

Sl. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sushil Suri	Executive Director (Chairman)	2	2
2.	Mr. Praveen Kumar Dutt	Independent Director (Member)	2	1
3.	Mrs. (Dr.) Savita	Independent Director (Member)	2	2

3. **Weblink where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.**

   Composition of CSR committee: https://www.morepen.com/aboutus

   CSR Policy: https://www.morepen.com/public/img/pdf/Corporate-Social-Responsibility-Policy.pdf

   CSR projects: https://morepen.com/public/img/pdf/FY%2025-26%20Annual%20Action%20plan_V%204.0.pdf

4. **The details executive summary along-with web-link of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014.**

   Not applicable

5. **(a) Average net profit of the company as per section 135(5):** ₹12201.37 Lakhs.

   (b) Two percent of average net profit of the Company as per section 135(5): ₹244.03 Lakhs.

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (d) Amount required to be set off* for the financial year, if any: ₹12.78 Lakhs.

   [*Pursuant to Rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, excess amount of CSR spent may set off against the requirement to spend under section 135(5) in current year, up-to immediate succeeding three financial years, therefore, aforesaid amount of preceding three financial years, in aggregate, was available for set off in the financial year 2025-26]

   (e) Total CSR obligation for the financial year [(5(b)+5(c)- 7(d)]: ₹231.25 Lakhs.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). - ₹245.25 Lakhs.
   (b) Amount spent in Administrative Overheads - Nil
   (c) Amount spent on Impact Assessment, if applicable - Not applicable
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹245.25 Lakhs.
   (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in Lakh)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
245.25	NIL	–	–	Nil	–

   (f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	244.03
(ii)	Total amount spent for the Financial Year	245.25
(iii)	Excess amount spent for the Financial Year[(ii)-(i)]	1.22
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
(v)	Amount available for set off in succeeding financial year [(iii) - (iv)]	1.22

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
	–	Nil	–	–	–	–	–	–

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
   If yes, enter the number of Capital assets created/ acquired: Not applicable.
   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NIL							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135. : Not applicable.

For Morepen Laboratories Limited

Sushil Suri
(Chairman & Managing Director)
(Chairman - CSR Committee)
DIN: 00012028

Place: Gurugram, Haryana
Date : 4th August 2026

ANNEXURE 'F'

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Information under Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31st March 2026]

A. CONSERVATION OF ENERGY

1) Energy Conservation measures taken:

- **Installation of 1100 KW Solar Power Plant:**

  During the year, the Company commissioned a 1,100 KW (1.1 MW) solar power plant at its Baddi site, which generated 3,45,668.58 units of clean energy during the period, thereby reducing the Company's electricity costs and carbon footprint.

- **Power Factor Optimization:**

  Consistently maintained a power factor of 0.996 throughout the year, reflecting efficient utilisation of its electrical infrastructure and optimal energy management.

- **Condensate Recovery Enhancement:**

  The Company installed Air Vent modules, PAPPU pumps and Pressure Reducing Valve (PRV) systems at various plant locations, enabling better-controlled steam utilisation and improved steam-condensate recovery. Additionally, 28 steam traps were installed to minimise steam fluctuations. Together, these measures resulted in an 18% increase in condensate recovery over the previous year's average.

- **Automation & Process Control:**

  All cooling tower fans were fitted with temperature controllers to maintain cooling tower temperature between 25°C and 28°C, ensuring optimal thermal efficiency.

  PLC-based automation was implemented for pH control and monitoring at the P8 and P9 plants, together with real-time temperature monitoring of reactors and the hot-water system.

  Radar Level Transmitters were installed at the PESO tanks to monitor and control tank levels at the Masulkhana site.

  DI (deionised) water flow meters were installed at both the Baddi and Masulkhana sites to regulate flow as per process requirements.

- **Steam Efficiency at different Plant:**

  Six (6) Pressure Reducing Valves (PRVs) were installed at the SRP, Boiler, MEE and Plant, delivering steam as per plant requirements and reducing steam fluctuations.

  Two (2) Heat Max systems were installed at the Process Plant for better steam-condensate recovery at the BDI site.

  Level Transmitters-cum-Controllers were installed at the hot-water tanks (Boiler, MEE, P10) to control steam-condensate overflow.

- **Replacement of Cooling Tower Fans:**

  The company successfully replaced 8 aluminium blade cooling tower (CT) fans with energy-efficient Aero Vertex fans.

- **Upgradation of Cooling Tower:**

  Fitted remaining 6 Nos. cooling tower fans with high-efficiency, non-clogging fins based on German design, offering a lifespan of 15 years with reduced deterioration and lower maintenance costs.

- **Proposed Transition to Chilled Water Coil AHUs:**

  A proposal is underway to replace all DX units in plant AHUs with chilled water coils, with an expected annual saving of ₹57.00 Lakhs.

- **Vacuum insulated piping for LN_2:**

  Proposed to replace LN_2 SS line with Vacuum insulated pipe, hence proposed reduction in approximately 8-10% of LN_2 consumption annually.

2) Impact of measures taken:

A slight enhancement in per-unit energy consumption i.e., increased by 1.25 percent per kilogram of production compared to the previous financial year ending 31st March 2025, while FG production increased by 17.79%.

3) Steps taken for utilizing alternate source of energy:

As part of its ongoing commitment to sustainability, the Company continues to prioritise clean-energy adoption, fuel optimisation and environmentally responsible practices across its manufacturing units. In pursuit of these goals, several key initiatives were undertaken during the year, with others planned, to enhance cost efficiency, improve resource utilisation and reduce the Company's environmental footprint. The principal measures are set out below:

- Commissioning of LPG-Fired Boiler:

  Installed LPG fired Boiler to replace the LSHS-fuelled boiler, aligning with the Company's commitment to cleaner fuel alternatives, having made saving of ₹196.00 Lakhs during the year.

- 16 TPH Biomass Boiler:

  A new 16 TPH boiler using Parali-based (agricultural residue) fuel is installed and commissioned during the year to replace wood fuel. Obtained a saving of ₹69.00 Lakhs during the year.

- Zero Liquid Discharge (ZLD) System - MEE Plant:

  The Company has installed and commissioned a Multiple Effect Evaporator (MEE) Plant, supporting its Zero Liquid Discharge compliance at the Baddi facility. The initiative is expected to deliver savings of ₹574.00 Lakhs per annum while enhancing environmental sustainability.

- **-40°C Chiller Installation to Replace LN_2:**

  To reduce dependency on liquid nitrogen (LN_2) for plant operations, the Company has planned a -40°C chiller system, projected to lower production costs at Baddi Site.

- -70°C Chiller Installation to Replace LN_2:

  To reduce dependency on liquid nitrogen (LN_2) for plant operations, the Company has planned a -70°C chiller system, projected to lower production costs at Masulkhana Site.

- Installation of Nitrogen Plant:

  New Nitrogen plant installation planned, to replace the LN_2 consumption for making LN_2 Air after vaporiser, with proposed annual saving of ₹32.00 Lakhs.

- Solar Energy Initiative (2nd Phase):

- Techno commercial discussion for 2nd Phase Solar Power Plant of 650 kW capacity at Baddi facility is under process. Order placement to plan for next financial year, keeping in view to achieve, Company's renewable energy goals.

4) Reduction in Green House Gases (GHG) emission:

As part of its commitment to environmental sustainability and carbon-footprint reduction, the Company has undertaken several key projects expected to significantly lower GHG emissions:

- Solar energy projects:

  The 1,100 KW solar plant commissioned in December 2025 generated 3,45,668.58 units till March 2026, reducing GHG emissions by approximately 245 tonnes of CO_2. A further 650 KW solar plant, presently under discussion, is projected to reduce emissions by approximately 600 tonnes of CO_2 annually upon completion.

- LPG boiler conversion (API facility):

  The conversion from LSHS to LPG fuel for boiler operations in July 2025 reduced CO_2emissions by approximately 1,377 MT during the year.

- 16 TPH biomass boiler:

  A new 16 TPH biomass boiler using Parali-based (agricultural residue) fuel, commissioned in January 2026 to replace wood fuel, reduced GHG emissions by approximately 5,249 tonnes of CO_2 till March 2026.

5) Capital investment on energy conservation equipment:

The Capital investment in energy conservation equipment made during the year is at ₹938.26 Lakhs.

B. TECHNOLOGY ABSORPTION (R&D)

1) Efforts made towards technology absorption:

For a progressive enterprise, the modernisation of plant, machinery and processes is a continuous journey, and your Company remains committed to advancing it across all business segments. At its core is the strengthening of in-house Research and Development, which drives product innovation, process efficiency and cost-competitiveness, enabling the Company to deliver world-class products. Complemented by ongoing investment in manufacturing infrastructure and a sustained focus on quality and global regulatory compliance, these efforts position the Company to accelerate its growth and compete effectively in domestic and international markets.

The Company has also initiated its state-of-art oncology centre at the Company's Baddi unit which includes synthesis & analytical development along with further possibility of formulation development for oncology candidates.

The following are the key areas of focus and technological developments undertaken for improvement in various APIs:

- Development of Cariprazine Hydrochloride in Anti-Psychotic category was completed for global market.
- Development of Technology for Bempedoic acid (Route II) in Anti-Lipemic category was completed.
- Development of Technology for Cenobamate (Route I) in Anti-Convulsant category was completed.
- Development & scale-up of technology for Lisdexamfetamine Dimesylate in ADHD category was completed.
- Development & scale-up of technology for Tegoprazan in Anti-Ulcerative category was completed. The Company has also filed for approval of its dosage form in India by top regulatory authority CDSCO. The Company has also developed Novel process of Amorphous Tegoprazan for its early launch in various markets.
- The Company has also received approval for BE studies for its Resmetirom dosage form in NASH category in India by top regulatory authority CDSCO.
- Development of technology for Vibegron for treatment of overactive bladder was completed.
- Development of technology for cost-effective route for Linagliptin in anti-diabetic category was completed.
- Development of technology for synthesis/ backward integration of the key side chain as well as KSMs of Dapagliflozin/ Empagliflozin was completed.
- Development of technology for synthesis/ backward integration of KSMs/ side chain of Linagliptin was completed.
- Development of technology for synthesis/ backward integration of chiral key KSM of Edoxaban was completed.
- Cost-effective enzymatic process using green chemistry is successfully developed in Lab for Sitagliptin.
- Cost-effective enzymatic processes using green chemistry is successfully developed in Lab for Montelukast dihydroxy Intermediate.
- Further Chemoenzymatic method will be

developed for alternative route of synthesis of Cenobamate (Route II).

- USDMF was filed for Vortioxetine Hydrobromide Route II in Anti-depressant category.
- USDMF was filed for Rupatadine Fumarate in anti-histaminic category.
- USDMF was filed for Bempedoic acid Route I in anti-Lipemic category.
- USDMF was filed for Sitagliptin phosphate monohydrate in anti-diabetic category.
- Two CEPs were filed for Rupatadine fumarate & Dapagliflozin propylene glycol monohydrate.
- Two CADIFA submissions were to ANVISA Brazil for Vortioxetine HBr & Dapagliflozin propanediol monohydrate.
- One each SAPHRA were filed in South Africa for Dapagliflozin Amorphous, Dapagliflozin propanediol monohydrate & Empagliflozin.
- One DMF each were filed at Swissmedic-Switzerland for Dapagliflozin propanediol monohydrate and Edoxaban Tosylate.
- One DMF each were filed at Korean MFDS for Edoxaban & Brexpiprazole.
- One DMF each were filed at UK MHRA for Saxagliptin & Vortioxetine HBr.
- One DMF was also filed at Taiwan FDA for Olmesartan.

2) **New Formulations Developed and Commercialized in Different Therapeutic Categories:**

- Commercialized Sennosides Tablets 8.6mg under laxative category for the US OTC market.
- Commercialize Sennosides 8.6mg & Docusate sodium 50mg Tablets under laxative category for the US OTC market.
- Commercialized Rosuvastatin Tablets IP 10 mg and 20 mg under antihyperlipidemic category for the ethical market.
- Commercialized Atorvastatin Tablets IP 10 mg, 20 mg, 40 mg, and 80 mg under antihyperlipidemic category for the ethical market.
- Commercialized Dapagliflozin Tablets 5 mg and 10 mg under antidiabetic category for institution sales.
- Commercialized Acyclovir Tablets IP 200 mg, 400 mg, and 800 mg under antiviral category.
- Commercialized Ticagrelor Tablets IP 60 mg under anticoagulant category.
- Commercialized Tofacitinib Tablets IP 5 mg as a Janus kinase (JAK) inhibitor for arthritis.
- Commercialized antibiotic Rifaximin Tablets 400 mg and 550 mg.
- Commercialized Thiocolchicoside and Etoricoxib Tablets 4 mg + 60 mg under muscle relaxant and NSAID category.
- Commercialized Ursodeoxycholic acid 125mg/5ml suspension under cholelitholytic and hepatoprotective category.
- Commercialized Acifix Raft suspension (orange flavour): calcium carbonate (80mg), Sodium alginate(250mg) & Sodium bicarbonate (133.5mg)/5ml under antacid category.
- Commercialized Cremopen suspension (milk of magnesia 11.25ml, liquid paraffin 3.75 ml/ 15ml) under laxative category.
- Commercialized Linagliptin & Metformin Tablets (2.5mg + 500mg) under antidiabetic category.

3) **New Formulations Developed in different therapeutic categories:**

For US/EU/DCGI & ROW Market

- First Exhibit/ PV batch of Resmetirom Tablets 60 mg, 80 mg, and 100 mg (Thyroid hormone receptor beta agonist) completed for DCGI/EU filing.
- Exhibit batches of Sitagliptin Tablets 25 mg, 50 mg, and 100 mg (antidiabetic) completed for the US, EU and Canada markets and pivotal bioequivalence study completed successfully.
- Development for NSAID drug product: Aspirin Delayed Release (DR) Tablets USP 81 mg and 325 mg completed for the US OTC market.
- Developed Diphenhydramine Hydrochloride taste masked granules for US OTC.

For Domestic Market

- Developed Telmisartan Tablets IP 20 mg, 40 mg, and 80 mg under antihypertensive category by alternate strategy for the Ethical market.
- Developed Empagliflozin and Linagliptin Tablets 10 mg + 5 mg and 25 mg + 5 mg under antidiabetic category for domestic market.
- Developed Oseltamivir Capsules IP 75 mg under antiviral category for domestic market.
- Developed antidepressant Vortioxetine Tablets 5 mg, 10 mg, 15 mg, and 20 mg.
- Developed antibiotic drug product Rifaximin Oral Suspension 100 mg/5 ml.
- Developed antihyperlipidemic Rosuvastatin and Fenofibrate Tablets IP 10 mg + 160 mg.
- Developed antiarthritic Leflunomide Tablets IP 10 mg and 20 mg.
- Developed Doxofylline Tablets IP 400 mg for bronchial asthma and chronic obstructive pulmonary disease (COPD) under bronchodilator category.
- Developed antihistaminic Fexofenadine Hydrochloride Suspension 30 mg/5 ml.
- Developed antihistaminic and cough suppressant: Levodropropizine and Chlorpheniramine Maleate Syrup 30 mg + 2 mg per 5 ml.
- Developed liver support/ appetite stimulant: Tricholine Citrate Syrup with Sorbitol 550 mg + 7150 mg.

4) **Benefits derived as a result of Research and Development (R&D) activities:**

During the year, the Company recorded healthy momentum across its business verticals, driven by its proven capability to offer globally benchmarked products at attractive price points. Its Active Pharmaceutical Ingredients (APIs) held a firm standing in international markets, even as the Medical Devices and Formulations verticals widened their presence throughout the country.

Ongoing deployment of modern equipment, refined manufacturing techniques and deeper Research & Development (R&D) capabilities helped the Company lift productivity, bring greater cost efficiency and scale to its operations, and cement its role as a dependable source of superior, accessible healthcare offerings. This steady commitment to innovation, process refinement and product excellence has sharpened the Company's market standing and affirmed its reputation as a trusted, forward-looking name in the pharmaceutical space.

Shaped by its founding belief in continuous R&D across the API, and finished-dosage verticals, the Company stays focused on creating distinctive, value-led products that translate into real gains for every stakeholder.

The following benefits have emerged from the Company's focused efforts in R&D, technology upgrades, and process improvements:

- Indian patent application entitled "Process for the Preparation of Rupatadine Fumarate Form A" was granted by Indian Patent office as IN 565646.
- Indian Patent application titled "Process for the preparation of 3-Chlorobenzyl-3-pyridyl ketone" was filed as IN202511065672.
- Indian Patent application titled "Process for the preparation of Pure Intermediate of Bempedoic Acid" was filed as IN202511073298.
- Indian Patent application titled "Novel Polymorph

of Resmetirom and Process for Its Preparation" was filed as IN202511100991.

- Indian Patent application titled "Process for the preparation of Tegoprazan Polymorph" was filed as IN202511125200.

Formulation and Development (F&D) activities:

Formulation and Development (F&D) activities have enabled the company to strengthen its product pipeline, improve technical capabilities and create value across regulated, semi-regulated and domestic markets. These activities support the development of stable and cost-effective formulations across therapeutic categories, thereby helping the company respond to market opportunities in a timely and competitive manner.

F&D initiatives have contributed to business growth by expanding the portfolio of finished dosage forms. The company has launched two products in US OTC market and successfully completed pivotal bioequivalence (BE) studies for Sitagliptin Tablets (for US, EU and Canada filing) which marks an important milestone for the formulation business. This achievement has opened new avenues for the formulation business by strengthening confidence in the company's technical capabilities, supporting future product filings, and creating opportunities to expand into additional geographies and therapeutic segments.

Customers and end users are benefitted from access to reliable, high-quality and affordable medicines across important therapeutic areas such as antidiabetic, antihyperlipidemic, antihypertensive, antihistaminic, anti-inflammatory and other categories. F&D efforts have supported the development of patient-friendly dosage forms, improved stability, provide consistent performance and better availability of products in domestic and international markets. By focusing on quality, compliance and innovation, the company is able to meet evolving healthcare needs and deliver products that provide value to customers, healthcare professionals and patients.

Overall, the company's F&D activities create a strong foundation for sustainable growth by combining scientific capability, regulatory focus, market responsiveness and customer-centric product development.

5) Future plan of action:

The company continues to carry on various R&D initiatives and regularly upgrades its capabilities to offer best quality products across various geographies. Currently the R&D work is focused on:

- New drugs like Tenapanor Dihydrochloride in Chronic kidney disease, Upadacitinib in Anti-arthritis Category, Deucravacitinib in Anti-Psoriasis category, Ozanimod in Relapsing Multiple Sclerosis, Nor-UDCA for treatment of NASH are considered for development.
- With inception new oncology lab various high potent APIs like Ribociclib Succinate for Breast Cancer, Venetoclax for chronic lymphocytic leukaemia, Ruxolitinib phosphate for myeloproliferative neoplasms, Elacestrant HCl for breast cancer are taken up for the development for current year.
- Formulation development initiatives are being undertaken by the company to develop products catering to different therapeutic categories. The formulation R&D team is focussed on developing products for different markets. Details of the same are provided below:

Export Markets -

- Development of Rosuvastatin Tablets (5mg, 10mg, 20mg and 40mg) is planned for ANDA and EU filing.
- Similarly, Loratadine Tablets USP 10mg is being developed for the US generic market (ANDA).
- Other formulations, like Aspirin Delayed Release Tablets USP 81mg and 325mg under the non-steroidal anti-inflammatory drug (NSAID) category, Diphenhydramine Tablets and Capsules 25mg & 50mg and Diphenhydramine Taste masked granules under the antihistaminic category are under advanced stage of formulation development for the US OTC market and their exhibit batches are planned.
- For the ROW market: Atorvastatin Tablet USP (10mg, 20mg, 40mg and 80mg) is planned for development and scale up activities.

Domestic Markets -

- For the domestic market Finerenone tablets 10mg and 20mg are planned for development.
- Apart from this, development of tablets of Telmisartan combinations with Amlodipine, Chlorthalidone, Hydrochlorothiazide, and Cilnidipine are being considered under the antihypertensive category for the ethical market.
- In antihyperlipidemic category, products like Atorvastatin and Fenofibrate Tablets IP (10mg +145mg) and Rosuvastatin and Fenofibrate Tablets IP (10mg+ 145mg) are also planned for development.
- Other finished products like Trypsin & Chymotrypsin Tablets 100000 armour units, Tamsulosine PR Tablets 0.4mg and 0.8mg, Fexofenadine Suspension 30mg per 5ml and Tamsulosine ER and Dutasteride Tablets (0.4mg + 0.5mg) are also considered for development.

6) **Imported Technology (imported during last 3 years reckoned from beginning of the financial year):**

The Company continues to pursue the steady modernisation of its machinery and process technologies, including by tracking and selectively embracing global advancements in the field. Although the Company regularly assesses emerging technologies from other countries to enhance its capabilities, it did not incur any expenditure on the import of technology during the year.

7) **Expenditure incurred on Research and Development (R&D):**

The Company has incurred a total expenditure of ₹3840.67 Lakhs, in comparison to expenditure of ₹2045.86 Lakhs in the previous year (including capital and revenue expenses), towards Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on earnings and outgo of foreign exchange is given in notes to Standalone Financial Statements under note no. 32.

For and on behalf of Board of Directors

Place: Gurugram, Haryana
Date: 4th August 2026

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

ANNEXURE 'G'

FORM AOC - 2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Particulars of contracts/arrangements entered into by Morepen Laboratories Limited ('the company') with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Name of related party: Ms. Aanandi Suri; Relationship: Daughter of Mr. Sanjay Suri Managing Director (KMP).	Name of related party: Mr. Arjun Suri Relationship: Son of Mr. Sushil Suri Chairman & Managing Director (KMP).
Nature of contracts/ arrangements/transactions	Employment contract	Employment contract
Duration of the contracts/ arrangements/ transactions	–	–
Salient terms of the contracts or arrangements or transactions including the value, if any	Appointed as 'Country Head – USA' at monthly salary of ₹2.00 Lakh per month, w.e.f., 22nd January 2024 The salary may be increased up-to ₹5.00 Lakhs per month	Appointed as 'Manager – Business Development' at monthly salary of ₹2.20 Lakh per month, w.e.f., 12th August 2024 The salary may be increased up-to ₹5.00 Lakhs per month
Justification for entering into such contracts or arrangements or transactions	Strategic, financial, or operational benefits to API business.	Strategic, financial, or operational benefits to medical devices business.
Date of approval by the Board	31st January 2024	12th August 2024
Amount paid as advances, if any	Nil	Nil
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	6th September 2025	6th September 2025

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Name of related party: Morepen Medipath Limited (formerly Morepen Medtech Limited) Relationship: Mr. Sushil Suri, Promoter, Chairman & Managing Director (KMP) and Mr. Sanjay Suri, Managing Director (KMP), are common directors and holding together, indirectly, more than 2% equity shares in the Morepen Medipath Limited. In addition, Mr. Ajay Kumar Sharma, Chief Financial Officer (KMP) of the company is also holding 1.11% equity shares (directly) in the Morepen Medipath Limited.
Nature of contracts/ arrangements/ transactions	Business Transfer Agreement for hiving off the medical devices business, being an undertaking, to Morepen Medipath Limited, a subsidiary of the company, on a 'slump sale' basis as a going concern.
Duration of the contracts/ arrangements/ transactions	To be consummated on or before the date of Annual General Meeting for the financial year 2026-27.
Date of approval by the Board	14th January 2025
Amount paid as advances, if any	Nil

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: Gurugram, Haryana
Date: 4th August 2026

ANNEXURE 'H'

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL PHARMACEUTICAL SCENARIO

The global pharmaceutical industry maintained resilient growth during the year under review, notwithstanding heightened pricing pressure, a shifting trade-policy environment and an intensifying cycle of patent expiries. According to the IQVIA Institute for Human Data Science global spending on medicines, measured at invoice price levels, is projected to reach approximately USD 2.4 trillion by 2029, growing at a compound annual growth rate ('CAGR') of around 5–8percent over the forecast period, against an estimated USD 1.6–1.7 trillion in 2024. The same study projects that total global medicine usage will approach four trillion defined daily doses by the end of the decade, reflecting steadily widening patient access, particularly across pharmerging markets.

Industry growth is increasingly being driven by the continued adoption of innovative, higher-value therapeutics in developed markets, partially offset by losses of exclusivity and the lower cost of generics and biosimilars. The IQVIA Institute estimates that the impact of brands losing exclusivity will more than triple to around USD 220 billion over the next five years, a substantial part of which arises from biologics facing biosimilar competition.

Global New Therapeutic Growth Drivers

Growth in global medicine spending over the medium term is expected to be concentrated in a relatively small number of high-innovation therapy areas. Oncology, immunology, diabetes and obesity will be the largest aggregate contributors to growth through 2029.

Oncology remains the single largest therapy area by spending. Global cancer-medicine spending at list prices rose to approximately USD 252 billion in 2024 and is projected to reach around USD 441 billion by 2029, supported by a sustained flow of breakthrough therapies, including antibody-drug conjugates, bispecific antibodies and cell and gene therapies, with double-digit spending growth forecast across the majority of the leading tumor types.

Obesity and cardiometabolic disease emerged as the fastest-growing therapeutic themes. The category, led by GLP-1 receptor agonists, expanded rapidly as these therapies moved from niche to mainstream use. A defining development during the year was the arrival of the first oral GLP-1 therapies, which are expected to broaden the addressable patient population materially, given that a significant proportion of new users are coming to GLP-1 therapy for the first time. Industry analysts project the combined market for type-2 diabetes and obesity therapies could reach around USD 190 billion by 2035, while the IQVIA Institute notes that 2026 marks an inflection point as semaglutide approaches loss of exclusivity in a number of major markets, including India, with implications for affordability and volume.

Underpinning these therapy areas is a clear and durable shift in modality from conventional small molecules towards **biologics, biosimilars and other large-molecule therapeutics**. Biologics, monoclonal antibodies, cell and gene therapies and peptide-based products are increasingly central to industry pipelines, with biologics expected to account for a rising share of incremental spending over the forecast horizon. This modality shift, together with the growing role of specialty and orphan medicines, represents a structural realignment of where future value in industry is being created.

Technological and Structural Shifts

The defining structural feature of the period is the onset of an exceptionally large wave of patent expiries, widely described as a "patent cliff." Independent industry analyses estimate that between USD 200 billion and USD 300 billion of annual branded sales – spanning approximately 70 blockbuster products and close to 200 medicines in aggregate – are exposed to generic or biosimilar competition over the period 2025 to 2030, a wave several times larger than the cliff of the mid-2010s. Unlike earlier cycles, which were dominated by small-molecule primary-care products, the current cliff falls heavily on complex biologics and specialty therapies across the oncology, immunology, cardiovascular and diabetes franchises. The IQVIA Institute separately estimates that exclusivity losses will more than triple to around USD 220 billion over the next five years.

This dynamic carries two important consequences. First, it is accelerating consolidation and external innovation, with originator companies increasingly relying on licensing, partnerships and acquisitions, alongside life-cycle-management strategies such as reformulation and new routes of administration, to replenish pipelines. Second, in the United States, pricing reform under the Inflation Reduction Act has begun to advance the effective point of revenue erosion for several leading products through government price negotiation, compounding the impact of patent expiry.

In parallel, technology continued to reshape the economics of drug development and supply. Artificial-intelligence-enabled drug discovery progressed from early experimentation towards routine deployment, with the potential to compress discovery timelines and improve development success rates, while digital manufacturing, automation and supply-chain digitisation gained momentum across the value chain. The regulatory environment evolved in step: a more streamlined biosimilar interchangeability pathway in the United States has lowered barriers to entry for biosimilars, and governments across major markets have intensified their focus on supply-chain resilience, domestic manufacturing capacity and the security of active pharmaceutical ingredient ('API') supply.

Geographical Markets

Growth and usage trends continued to diverge markedly across regions. According to the industry reports, mature markets such as North America, Western Europe and Japan are expected to grow more slowly over the medium term, reflecting the stabilisation typical of developed healthcare systems, even as they remain the largest contributors to absolute spending and the primary markets for newly launched, higher-value therapies.

North America remained the world's largest pharmaceutical market by spending and the principal source of premium-priced innovation, but it was also the epicenter of pricing reform and trade-policy uncertainty during the year. **Europe** continued to represent a large and comparatively stable market, supported by high healthcare expenditure and a deep base of established manufacturers, though with more modest growth. **Asia-Pacific** remained the principal engine of volume growth: the industry identifies China as the fastest-growing major market since 2020, projected to nearly double its medicine usage relative to 2020 by the end of the decade, and increasingly an important source of innovation as well as volume. Latin America, the Middle East and Africa continued to offer structural long-term growth from a smaller base, supported by improving access and healthcare infrastructure.

This geographical pattern is of direct relevance to Indian manufacturers. As discussed below, around half of India's pharmaceutical exports are directed to highly regulated markets such as the United States and Europe, which links the domestic industry's performance closely to demand, pricing and regulatory developments in those markets.

DOMESTIC PHARMACEUTICAL MARKET

India retained its position as one of the most significant participants in the global pharmaceutical industry. As per the Economic Survey 2025-26, the sector's annual turnover reached approximately ₹4.72 Lakhs crore in FY25, and India ranks third globally in pharmaceutical production by volume and eleventh by value. The domestic industry comprises around 3,000 companies and approximately 10,500 manufacturing units, and India remains the largest global supplier of generic medicines, accounting for around 20 percent of global supply by volume and manufacturing roughly 60,000 generic brands across some 60 therapeutic categories. The domestic market is currently valued at approximately USD 60 billion and is projected by industry sources to reach around USD 130 billion by 2030.

On the external front, India's drugs and pharmaceutical exports stood at approximately ₹2.74 Lakhs crore (USD 31.11 billion) in FY26, compared with ₹2.59 Lakhs Crore (USD 30.38 billion) in FY25. Growth was, however, more pronounced in rupee terms than in US-dollar terms, with dollar-denominated export growth of approximately 2 percent reflecting both a high base and a softer second half. Drug formulations and biologicals continued to constitute approximately three-quarters of total exports. As per the Economic Survey 2025-26, India exported pharmaceutical products to 191 countries in FY25, with around 50 percent of exports directed to highly regulated markets such as the United States and Europe – a reflection of the international acceptance of Indian medicines and of the industry's quality and compliance standards. The newly concluded trade agreements (including the India-UK CETA and the India-New Zealand FTA) are expected to improve market access for Indian formulations and medical devices over time.

A defining structural trend during the year was the steady rise in the share of **chronic therapies** – medicines for long-term conditions such as cardiovascular disease, diabetes and neurological disorders – relative to acute therapies. Industry data indicated that chronic therapies accounted for approximately 40 percent of the domestic market and grew faster than the overall market, reflecting India's ageing population, rising lifestyle-disease burden and improving diagnosis and access. This shift towards chronic and specialty care is gradually moving the domestic market up the value chain.

Domestic consumption of medicines continued to expand at a healthy pace during the year, driven by rising healthcare awareness, deeper insurance penetration, expanding hospital infrastructure, increasing per-capita income and wider geographic access into semi-urban and rural markets. The IPM sustained double-digit value growth through much of the period, with growth driven by a balanced combination of volume expansion, price revisions and new product introductions, indicating broad-based rather than narrowly led demand. Government access programmes, including the network of Pradhan Mantri Bhartiya Janaushadhi Kendras supplying affordable generic medicines, continued to support volume penetration and improved affordability across the country.

Demand during the year was broad-based across therapeutic categories, with chronic and specialty segments leading. Cardiac (cardiovascular) remained the single largest therapy area, contributing approximately 13–15 percent of the domestic market and recording double-digit value growth on the back of the rising prevalence of hypertension and heart disease. Anti-diabetic therapies were among the fastest-growing major segments, supported by India's large and expanding diabetic population and by newer therapies and combinations, including the entry of GLP-1-based products. Among the acute-leaning categories, gastro-intestinal remained one of the largest, reflecting dietary and lifestyle factors, while anti-infectives — historically a very substantial segment — grew more slowly during the year but stayed an important contributor. Respiratory, Vitamins/Minerals/Nutrition and Neuro/CNS therapies were each significant contributors, with the respiratory and nutritional categories recording strong volume-led growth. Finally, several specialty and niche segments — vaccines, anti-neoplastics (oncology), urology and dermatology — posted some of the strongest growth rates, signalling the market's gradual shift towards higher-value, specialty therapies.

A clear strategic pivot is under way across the Indian industry – from a predominantly volume-led generics model towards higher-value, innovation-linked segments. Complex generics, biosimilars and biologics have become priority areas, particularly in oncology, immunology and chronic disease, where development timelines are longer and entry barriers higher. This shift is significant for India because the global biologics **patent cliff** – with biologic products generating in excess of USD 40 billion of annual global revenue expected to lose exclusivity between 2025 and 2029 – opens a substantial biosimilars opportunity, with the global biosimilars market projected by industry bodies to expand several-fold over the coming decade.

In parallel, India has strengthened its position in **contract research, development and manufacturing organisation (CRDMO/CDMO) services**, with domestic players engaging earlier in the global drug-development lifecycle. This has been reinforced by a geopolitical realignment of global supply chains, as international innovators seek to diversify manufacturing and research away from a single-country dependence – a trend often described as a "China-plus-one" strategy – from which India is well placed to benefit. India's broader bioeconomy has also expanded materially and is targeted to grow further over the remainder of the decade.

Artificial intelligence and digital technologies gained meaningful traction across the Indian pharmaceutical value chain during the year. Applications spanned AI-enabled drug discovery and molecule screening, optimisation of chemical synthesis routes, in-silico toxicity prediction, digital and decentralised clinical trials, manufacturing automation and quality systems, and supply-chain transparency. Indian companies and research institutions increasingly adopted AI tools to compress development timelines and reduce R&D cost, and to support the transition from reverse-engineering generics towards the discovery of novel chemical and biological entities. Industry bodies have identified AI-led drug discovery, alongside biosimilars and specialty therapies, as a defining driver of the next phase of the industry's growth. Public-private initiatives to build indigenous AI capability in healthcare further supported this momentum, although AI adoption in the sector remains at a relatively early stage of maturity.

Government policy remained a central enabler of the industry, anchored in the Atmanirbhar Bharat (Self-Reliant India) vision, whose core objective is to reduce India's structural dependence on imports — particularly from China — for APIs, Key Starting Materials (KSMs) and drug intermediates. This vision is being pursued through a coordinated set of policy instruments. The Production Linked Incentive (PLI) schemes incentivise incremental domestic manufacturing of critical bulk drugs and high-value formulations, while the Scheme for Promotion of Bulk Drug Parks develops shared world-class infrastructure to lower the cost of API production. Complementing these manufacturing-focused measures, the Promotion of Research and Innovation in Pharma MedTech (PRIP) scheme seeks to shift the industry from a volume-led to an innovation-led model, prioritising biosimilars, orphan drugs, complex generics and medical devices. These are reinforced by dedicated biopharmaceutical initiatives - notably Biopharma SHAKTI and the BioE3 policy - which together aim to strengthen biologics, accelerate drug discovery and deepen domestic manufacturing capability.

Collectively, these measures seek to secure India's pharmaceutical supply chain, move the industry up the value chain, and reinforce the country's position as the "Pharmacy of the World" while pursuing genuine self-reliance in critical inputs.

MOREPEN'S/ COMPANY'S STRATEGY

API

The company has established famous antidiabetics from gliptins such as Sitagliptin, Saxagliptin, Linagliptin, and Vildagliptin. The same has been done for Gliflozin' series which includes Empagliflozin, Ertugliflozin L-pyroglutamic acid, Dapagliflozin, Propanediol, and Amorphous Dapagliflozin. The company has also developed new crystalline forms of many of these APIs. Over the years the company has also tapped into different categories like anti-coagulants like Apixaban & Rivaroxaban, Anti-depressant drugs like Vortioxetine hydrobromide and Brexpiprazole, Anti-platelet drugs like Ticagrelor & Anti-ulcerative drugs like Vonoprazan fumarate & Tegoprazan. The company has also developed latest blockbuster medication for NASH/MASH, Resmetirom. The company has also applied for its approved dosage form in India, which is being considered by CDSCO as per its permission for BE studies to the company.

A robust API portfolio, underpinned by strong regulatory approvals and a deep commitment to quality, reinforces company's position as a dependable and innovative partner to the global pharmaceutical industry.

The company has also commercialized various new products such as Finerenone (for treatment of chronic kidney disease), Baricitinib (for Rheumatoid arthritis) & Tegoprazan (Anti-ulcerative) & Lisdexamfetamine Dimesylate (for treatment of ADHD).

During the last year the company has also developed various key molecules like Cariprazine HCl (Atypical Anti-Psychotic), Cenobamate (Anti-convulsant), Vibegron (for treatment of overactive bladder) & Bilastine (Anti-Histaminic). The company has commercialized Bempedoic acid (anti-lipemic category) during last year and holds an exclusive agreement with a global pharma giant for its regular export.

The company is developing some key new APIs in R&D like Upadacitinib (anti-arthritis), Nor-UDCA (for treatment of NASH), Ozanimod HCl (for treatment of Multiple sclerosis) & Deucravacitinib (for treatment of Psoriatic arthritis). The company is also developing Pitolisant (for sleep disorders), Sparsentan (for Kidney related diseases), Mitapivat sulphate (for treatment of Anaemia) & Seladelpar Lysine (for treatment of primary biliary Cirrhosis).

With inception of new oncology lab, the company is in advanced stages of developing Ruxolitinib (for rare blood cancer), Ribociclib Succinate (for treatment of breast cancer) & Venetoclax (for treatment of chronic lymphocytic leukaemia).

During the year four USDMFs were filed, one each for Vortioxetine HBr Route II, Rupatadine Fumarate, Sitagliptin phosphate monohydrate & Bempedoic acid. Two CEPs were filed for Rupatadine fumarate & Dapagliflozin propylene glycol monohydrate. Two CADIFA submissions were to ANVISA Brazil for Vortioxetine HBr & Dapagliflozin propanediol monohydrate. One each SAPHRA were filed in South Africa for Dapagliflozin Amorphous, Dapagliflozin propanediol monohydrate & Empagliflozin. One DMF each were filed at Swissmedic-Switzerland for Dapagliflozin propanediol monohydrate and Edoxaban Tosylate. One DMF each were filed at Korean MFDS for Edoxaban & Brexpiprazole. One DMF each were filed at UK MHRA for Saxagliptin & Vortioxetine HBr. One DMF was also filed at Taiwan FDA for Olmesartan. So in total 19 DMFs were filed during the year 2025-2026 by the company at various regulatory authorities worldwide.

During last year the company was granted a process patent entitled "Preparation of Rupatadine fumarate form A". The company also filed 4 (four) new process patent applications for Novel processes/ New Polymorphs for Loratadine, Bempedoic Acid, Resmetirom & Tegoprazan.

The company has filed 404 Drug Master Files (DMF) over the last many years which includes, 31 USDMF, 15 CEP (Europe), 169 EDMF (European Drug Master File) in Europe, 11 China, 10 Korean DMFs, 05 in Japan DMFs, 08 Brazil DMFs, & 157 DMF in rest of world (RoW). Against 31 USDMF filed in the USA, 6 USDMF have been reviewed under the Generic Drug User Fee Act (GDUFA) of the USA. Out of 15, Certification of Suitability (CEP) filings made in Europe, 14 CEPs have been approved to the company.

The company has a large and growing high value product portfolio led by regulatory approval in place with integrated manufacturing capacities for APIs company manufacturing, 171 processes/polymorph patents are filed till date. A total of 55 (India – 39, Foreign – 16) patents have been granted to the company till March 31, 2026.

CDMO Business – Adding promising new revenue stream

During the year, the company strengthened its strategic position in the Contract Development and Manufacturing Organization ('CDMO') segment by securing a multi-year manufacturing mandate valued at approximately ₹825 crore (USD 91 million) from a leading global pharmaceutical company. The commercial supplies under the agreement commenced in the month of June 2026, post completion of customary operational and regulatory processes.

This represents one of the largest CDMO order secured by the company and marks an important milestone in its strategy to expand beyond its traditional API business into long-term, value-added manufacturing partnerships with global pharmaceutical companies.

The company's established API manufacturing expertise, regulatory compliance framework, and integrated manufacturing capabilities position the company to capitalize on this structural shift in the global pharmaceutical supply chain. The company continues to leverage over four decades of experience in API manufacturing supported by internationally accredited manufacturing facilities, including approvals from USFDA, WHO-GMP, and European regulatory authorities.

The company continues to evaluate opportunities for capacity expansion and technology enhancement in line with the growing pipeline of CDMO opportunities, while maintaining its focus on operational excellence, regulatory compliance, and quality systems.

FORMULATIONS AND MEDICAL DEVICES DIAGNOSTICS

The Medical Devices business delivered a robust 20.13 percent year-on-year growth during the year, reflecting the strong momentum behind the company's home-healthcare products and its well-entrenched position in the domestic Home Devices market. This performance was further reinforced by growing online visibility, which continues to widen the company's reach and deepen brand penetration.

Customer Trust and Product Contribution:

The Medical Devices business continued to enjoy strong customer trust during the year, underpinned by the availability of high-quality, affordable products and a robust service and distribution network. The Blood Glucose Monitoring and Blood Pressure Monitoring segments remained the primary drivers of revenue, and these flagship products are expected to sustain their leadership position. The company also sees growing contribution from its wider home-healthcare portfolio – including Thermometers, Stethoscopes, Digital Weighing Scales, Pregnancy Testing Kits and other home-health devices – which is expected to broaden the revenue base and support the next phase of growth.

The widespread adoption and trust in these products are evident from the cumulative sales of 2.44 billion Gluco Strips and the installation of over 17.33 million Gluco Monitors.

Expansion of Manufacturing Capabilities and Infrastructure:

The company has made substantial progress in enhancing its manufacturing capabilities and operational integration throughout the year, complemented by the introduction of a new digital health initiative.

- In-house Screen Printing: The company initiated in-house screen-printing operations. This is a strategic step in its backward integration efforts, building upon the prior successful implementation of injection moulding and Surface Mount Technology (SMT). This move aims to bolster control over the entire production process.
- Infrastructure Development: A new manufacturing block is currently under construction. This expansion is designed to significantly increase capacities for injection moulding, orthopaedics products, and warehousing, thereby catering to growing demand across various business segments and improving overall operational scalability.
- Ortho Products Manufacturing: The company has broadened its product portfolio by commencing the production of orthopaedics products, marking its strategic entry into this promising new therapeutic segment.
- Expanded Quality Certification Scope: The company's ISO certification now encompasses the design, development, and manufacture of Blood Grouping Reagents and Lateral Flow Test Kits for infectious diseases. This expanded scope highlights the Company's unwavering commitment to delivering high-quality diagnostic solutions and opens new avenues for growth within the medical diagnostics sector.

These strategic manufacturing initiatives underscore the company's long-term vision of establishing integrated, scalable, and high-quality operations to effectively address the evolving healthcare needs on a global scale.

Formulations Business Performance Overview

The business continued to witness healthy demand across its key product segments, supported by strong performance in the contract manufacturing business and steady growth in the Branded Prescription portfolio. The finished formulations business, comprising Branded Prescription (Rx), Institutional Supplies and Contract Manufacturing operations, reported net revenue of ₹16678.57 Lakhs during the year. The branded formulation business recorded revenues of ₹5449.84 Lakhs during the year as against ₹5167.84 Lakhs in the previous year, registering a growth of 5.46 percent. The institutional supplies business recorded revenues of ₹4830.65 Lakhs during the year as compared to ₹4952.44 Lakhs in the previous year.

INSTITUTIONAL, GENERICS AND CONTRACT MANUFACTURING

Institutional Supplies Business Performance

The Institutional Supplies business witnessed moderation during the year, with revenue easing to ₹4,830.65 Lakhs from ₹4,952.44 Lakhs in the previous year ended 31st March 2025, reflecting a year-on-year decline of 2.46 percent.

Contract Manufacturing Business Performance

The contract manufacturing business achieved significant revenue growth, with total revenues rising to ₹8488.63 Lakhs in the current financial year, compared to ₹6414.63 Lakhs in the previous year. This represents a substantial growth of 32.33 percent, driven by the company's focus on optimizing its investments in manufacturing capabilities.

The company is putting up its best efforts and is working hard to get all round positive results, across all the segments.

OPPORTUNITIES AHEAD

The medium-term outlook for the Indian pharmaceutical industry is constructive. Industry bodies project that the domestic market could broadly double over the second half of the decade, and that exports could rise materially towards the end of the decade, driven by the global biologics patent cliff, accelerating demand for affordable advanced therapies, AI-driven drug discovery, the geopolitical realignment of supply chains and continued government support. The principal structural opportunities lie in complex generics, biosimilars and biologics, specialty and chronic-care therapies, CRDMO/CDMO services, and import-substituting API and KSM manufacturing under the Atmanirbhar Bharat agenda.

The Indian pharmaceutical and healthcare sector is entering a phase of structural, demand-led growth, anchored in the deepening reach of domestic healthcare. Domestic pharmaceutical sales are projected to roughly double from around USD 25 billion in 2024 to about USD 50 billion by 2030, with Tier-II and Tier-III cities expected to contribute over 40 percent of this incremental growth — a clear signal that the market is broadening well beyond the metros.

The most powerful driver is the widening of healthcare access. The Ayushman Bharat PM-JAY scheme now provides cover of up to ₹5 Lakhs per family to around 500 million people, with schemes such as ESIC and AFMS covering a further 150 million lives. Rising insurance penetration is converting latent need into predictable demand: coverage rose from about 25 percent in 2013 to roughly 65 percent in 2023, yet close to 500 million people remain uninsured, leaving substantial headroom, while newly insured patients already show 30–40 percent higher medicine uptake, particularly for diabetes and cardiovascular care. Underpinning this is a favourable demographic and disease profile - around 65 percent of the population is below 35, even as over 100 million people live with diabetes and an estimated 220 million with hypertension-sustaining long-term demand across chronic-care, OTC and home-healthcare segments. The continued expansion of franchise-based rural distribution and fast-growing e-pharmacy channels is widening access further still. Collectively, these trends create a favourable backdrop for the company's Formulations, OTC and Home Healthcare portfolios as India's healthcare expansion deepens.

These trends are directly relevant to the company's domestic-facing businesses. The expansion of insurance-backed, chronic-care demand into Tier-II/III and rural India, the growing acceptance of self-monitoring and home-healthcare, and the shift towards digital and omnichannel access together create a favourable backdrop for the company's Formulations and Home Healthcare / Devices portfolios, positioning it to participate meaningfully in the next phase of India's healthcare expansion.

OUTLOOK ON THREATS, RISKS AND CONCERNS

The industry faced identifiable headwinds during the year. Geopolitical disruption and an evolving United States trade and tariff stance weighed on sentiment, particularly given that the United States accounts for approximately one-third or more of India's pharmaceutical exports, leaving the sector materially exposed to policy developments in that market. Continued dependence on imported APIs, KSMs and intermediates for certain critical molecules, margin pressure in traditional generic segments, ongoing regulatory scrutiny of manufacturing quality, pricing controls, and currency volatility remained relevant risk factors. The industry's ability to navigate these risks while executing its shift towards higher-value segments will be central to sustaining its growth trajectory.

Alongside many opportunities, the industry faces well-defined risks. The most significant is the sector's structural dependence on imported inputs: India imports close to 70 percent of its API intermediates from China, leaving manufacturing costs and supply continuity exposed to pricing, geopolitical and supply-chain disruptions. External-market and trade risk is equally material, given the industry's heavy reliance on the United States and Europe for exports and an evolving global tariff and trade-policy environment.

On the domestic front, price regulation remains a persistent margin constraint — NPPA ceiling prices on essential medicines compress profitability, and some players exit loss-making lines, occasionally causing stock-outs and restricting availability in rural markets — creating an inherent tension between affordability mandates and commercial viability. Intensifying regulatory scrutiny of manufacturing quality (both domestic and from overseas regulators such as the USFDA), currency volatility, and rising competitive intensity in the largely branded-generic domestic market add further pressure. Finally, the industry's relatively modest R&D intensity — historically below 5 percent of revenue — and the challenge of retaining specialised research talent could constrain the pace of its shift from a volume-led to an innovation-led model. The company seeks to mitigate these risks through backward integration, a diversified product and market mix, sustained investment in quality and compliance, and disciplined cost management.

Overall, the global and domestic pharmaceutical environment during FY26 was characterised by resilient underlying demand, offset by pricing pressure, an unprecedented patent-expiry cycle, regulatory scrutiny and geopolitical and tariff-related uncertainty.

FIXED ASSETS

Fixed Assets of the company are generally well maintained and are in good condition.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company maintains robust internal control systems, appropriately scaled to the size and complexity of its operations. These systems are designed to ensure:

- Proper Authorization: All transactions are subject to appropriate approval protocols.
- Accurate Recording: Transactions are recorded precisely in accordance with applicable accounting standards and policies.
- Timely Reporting: Financial and operational information is reported promptly to support informed decision-making.
- Asset Safeguarding: Adequate measures are in place to protect assets from loss, misuse, or unauthorized disposal.

An independent Internal Audit function operates across all critical areas of the company. The audits are risk-based and systematic, with a primary focus on assessing the effectiveness of internal controls and process adherence. Post-audit reviews are regularly conducted to ensure the timely implementation of audit recommendations, thereby reinforcing a culture of continuous improvement. Any discrepancies or control deficiencies identified during the audit process are addressed promptly and appropriately.

HUMAN RESOURCES

The company places significant emphasis on its human capital, recognizing it as a cornerstone for success and growth. This is achieved through:

- Fair and Equal Opportunity: Promoting equitable practices and judiciously rewarding the workforce to maintain a positive work environment.
- Employee Engagement: This approach has fostered employee participation in various company activities, contributing to the company's growth trajectory.

The company cultivates pleasant and peaceful interpersonal relationships among its workers, staff, and officers. This is driven by a spirit of collaborative efforts and effective teamwork, resulting in harmonious relationships that lead to improved productivity and a stronger sense of solidarity within the company.

As of March 31, 2026, the group's total manpower strength is 3691, with 2379 employees on permanent payroll. This demonstrates the company's significant contribution to employment and nation-building. The organization is built on a strong foundation of mutual trust, encouraging collective efforts and collaboration across all employee sections. This collaborative environment enables the company to offer quality products at competitive prices, playing a role in India's growth story.

By steadfastly upholding its core values of fair play, equal opportunity, and value chain enhancement, the company continues to position itself for sustained growth, long-term success, and responsible corporate leadership.

KEY FINANCIAL RATIOS

Key financial parameters as on 31st March 2026 on the basis of Standalone Financials for the year ending 31st March 2026 & 31st March 2025, *respectively,* are as follows;

Particulars	FY 2026	FY 2025
Debtors Turnover (No. of days)	69	72
Inventory Turnover	3.90	3.85
Current Ratio	2.59	2.51
Debt Equity Ratio	0.17	0.08
Operating Profit Margin	4.90%	8.30%
Net Profit Margin	3.93%	6.53%
Net Capital Turnover Ratio	2.36	2.69
Return on Capital Employed	8.43%	11.41%
Return on Investment	3.46%	5.94%

CAUTIONARY STATEMENT

The market data and information set out in this Report have been derived from a variety of sources, both published and unpublished, and the company cannot guarantee their accuracy, completeness, or authenticity. Readers are accordingly advised to exercise due care and judgement, and to bear this limitation in mind when relying on such data for any decision-making.

This Management Discussion and Analysis Report contain certain forward-looking statements relating to the company's objectives, strategies, estimates, expectations, plans and projections. These statements have been made in good faith based on currently available information. Actual results may, however, differ materially from those expressed or implied, on account of factors such as prevailing market conditions, regulatory and policy changes, economic developments and other unforeseen events, many of which are beyond the company's control.

Readers are therefore cautioned to interpret and act upon these forward-looking statements with appropriate prudence. The management of the company reserves the right to reassess its analyses and outlook from time to time, and to take such actions as may be necessary to maximise shareholder value while discharging its social and corporate responsibilities. The company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

For and on behalf of Board of Directors

Place: Gurugram, Haryana
Date: 4th August 2026

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

ANNEXURE 'I'

CORPORATE GOVERNANCE REPORT

[Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and forming part of the Directors' Report for the year ended 31st March 2026]

This Corporate Governance Report underscores our unwavering commitment to transparency, accountability, and ethical leadership. At Morepen Laboratories Limited ("Morepen/ "the Company"), our goal is to ensure fairness to every stakeholder, and we strive to cultivate a culture grounded in integrity and responsibility-principles that guide every facet of our operations. Through this report, we present a clear and comprehensive overview of our governance framework, including the structures, policies, and practices that ensure sound decision-making and sustainable performance. For ease of navigation, it has been organised into the following sections:

1. CORPORATE GOVERNANCE PHILOSOPHY

Our company is firmly committed to upholding the highest standards of Corporate Governance across all aspects of our operations. We believe that Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed towards maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

With a global presence spanning over four decades, our governance framework has matured alongside our mission of '**Empowering Health Everywhere**.' Operating with uncompromising ethics and integrity remains the cornerstone of our Corporate Governance Philosophy. Our company continue to integrate innovation, quality, and rigorous compliance to serve our customers across both regulated and emerging markets.

To this end, we prioritize transparency in all our actions, ensuring clarity and openness in our communication with stakeholders. Our governance framework is supported by well-defined policies and procedures that promote ethical decision-making and responsible business conduct.

In summary, our approach to Corporate Governance is anchored in fairness, transparency, accountability, sustainability, strong internal controls, and the use of advanced digital tools. These principles are integral to our efforts to create value for our shareholders while fulfilling the needs and aspirations of our wider stakeholder community.

The company continues to be fully complied with the applicable Corporate Governance requirements and makes disclosures in accordance with Regulation 34(3), read with Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

2. BOARD OF DIRECTORS

The Board of Directors (the 'Board') remains the steadfast steward of our corporate governance framework, ensuring that the Company's strategic trajectory aligns with the highest ethical standards.

As the apex body representing our shareholders, the Board provides the visionary oversight necessary to balance short-term performance with sustainable, long-term value creation. While the Chairman & Managing Director and the Whole-Time Director (presently Managing Director) lead our day-to-day operational execution, the Board maintains a rigorous oversight mandate, ensuring that every management action remains accountable to our stakeholders and core corporate objectives.

The composition of the Board is fully compliant with Regulation 17 of the Listing Regulations, as well as the Companies Act, 2013, as amended. With the Chairman serving in an executive capacity, more than 50% of the Board comprises Non-Executive Independent Directors, ensuring objectivity and independence in governance.

As of 31st March 2026, the Board comprises six (6) Directors: two (2) Executive Directors and four (4) Non-Executive Independent Directors.

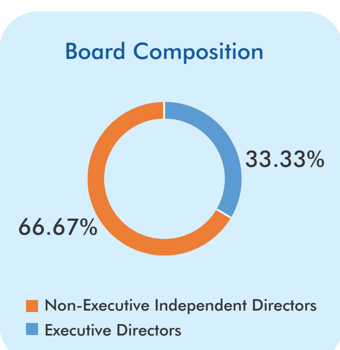
All Independent Directors are eminent professionals bringing wide range of experience in strategy, finance and governance. None of the Directors on the Board is a member of more than ten (10) Committees or Chairman of more than five (5) Committees across all companies in which he/ she is a director. During the financial year 2025-26, the time gap between any two Board Meetings did not exceed one hundred twenty (120) days. Except Mr. Sushil Suri and Mr. Sanjay Suri, none of the Directors of the company is *inter-se* related.

The comprehensive profiles of our directors can be accessed on the company's website at www.morepen.com/investors The Board composition, directorships, and board committee positions of the company, as on 31st March 2026 are given below:

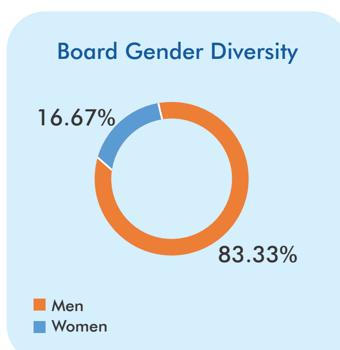
The composition of the Board

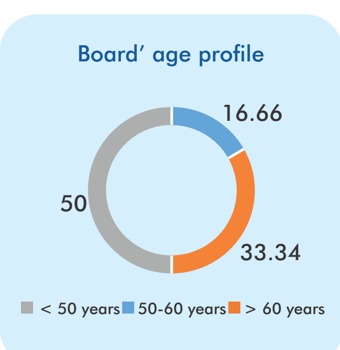
Executive Directors	Non-Executive Independent Directors
Mr. Sushil Suri	Mr. Praveen Kumar Dutt
Mr. Sanjay Suri	Mr. Ranjit Khattar
	Mrs. (Dr.) Savita
	Mr. Sharad Jain

Male Female

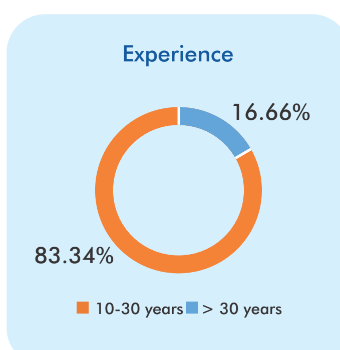


66.67%
Non-Executive Independent Directors





83.34%
> 30 Years Experienced Directors



Sr. No.	Name of director and category of directorship	No. of directorship and committee memberships/ chairpersonship held in companies			Directorship in other listed company(ies) and categoryof directorship	
		Directorships	Committee Membership	Committee Chairpersonship	Name of the Company	category
Executive Directors						
1.	Mr. Sushil Suri Promoter-Chairman & Managing Director	3	1	Nil	Nil	Nil
2.	Mr. Sanjay Suri Whole-time Director	5	Nil	Nil	Nil	Nil
Non-Executive Independent Directors						
3.	Mr. Praveen Kumar Dutt	1	2	2	Nil	Nil
4.	Mr. Ranjit Khattar	5	3	2	Nil	Nil
5.	Mrs. (Dr.) Savita	2	3	1	BLS International Services Limited	Non-Executive Independent Director
6.	Mr. Sharad Jain	2	2	Nil	Nil	Nil

Notes:

a) *The directorships, held by Directors, as mentioned above, excludes directorships in foreign companies, companies registered under Section 8 of the Act, private limited companies and alternate directorships and includes Morepen Laboratories Limited.*

b) *Includes membership(s)/chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies.*

Details of skills/expertise/competence of Board of Directors

As of 31st March 2026, the Board consists of experienced qualified individuals who possess the necessary skills, competence, and expertise to actively contribute to discussions making during Board and Committee meetings. The Board of Directors has identified following key skills, expertise, and competencies that are essential for effective functioning in the company's business.

Board Skill	Description
Industry and Sector Experience	Experience and knowledge of the pharmaceutical industry, enabling effective board-level oversight and strategic guidance. Understanding of relevant regulatory, legal, and compliance frameworks, with awareness of global industry trends and best practices to support sound governance, risk management, and sustainable business performance.
Technical Skills/ Innovation	Knowledge of emerging technologies including digital transformation, artificial intelligence, cybersecurity, data governance, data centre management and information security, enabling strategic oversight of technology, innovation and related risks.
Financial Expertise	Proficiency in financial management financial reporting process, budgeting, treasury operations, audit and capital allocation.
Behavioural Competencies/ Personal Attributes	Integrity ethical leadership, independent judgement and professionalism together with strong interpersonal mentoring and stakeholder engagement skills. Exhibits curiosity, adaptability and the courage to challenge constructively, contributing to effective governance.

Board Skill	Description
Strategic Expertise	Strategic vision and the ability to provide insights that support the Company's long-term direction and sustainable value creation. Experience in strategy formulation evaluation, and oversight enabling the Board to assess emerging opportunities and risks, guide business transformation and drive innovation and growth in a dynamic business environment.
Leadership & Administration	Strong leadership and governance capabilities to provide effective oversight of the Company's affairs. Brings sound judgement, communication and influencing skills to support constructive Board deliberations and informed decision making.

The specific areas of focus or expertise of individual director have been highlighted herein below;

Board Skill	Mr. Sushil Suri	Mr. Sanjay Suri	Mr. Praveen Kumar Dutt	Mr. Ranjit Khattar	Mrs. (Dr.) Savita	Mr. Sharad Jain
Industry and Sector Experience						
Technical Skills/ Innovation						
Financial Expertise						
Behavioral Competencies/ Personal Attributes						
Strategic Expertise						
Leadership & Administration						

Disclosure regarding appointment, re-appointment and/or change in Directors.

Re-appointments

- Mr. Sanjay Suri

  Based on the recommendation of the Nomination and Remuneration Committee, Audit Committee the Board of Directors of the company at its meeting held on 6th August 2025 approved the re-appointment of Mr. Sanjay Suri (DIN: 00041590) as Whole-Time Director for a term of three (3) years commencing from 13th August 2025 to 12th August 2028, which was subsequently approved by the members at the 40th AGM held on 6th September 2025.

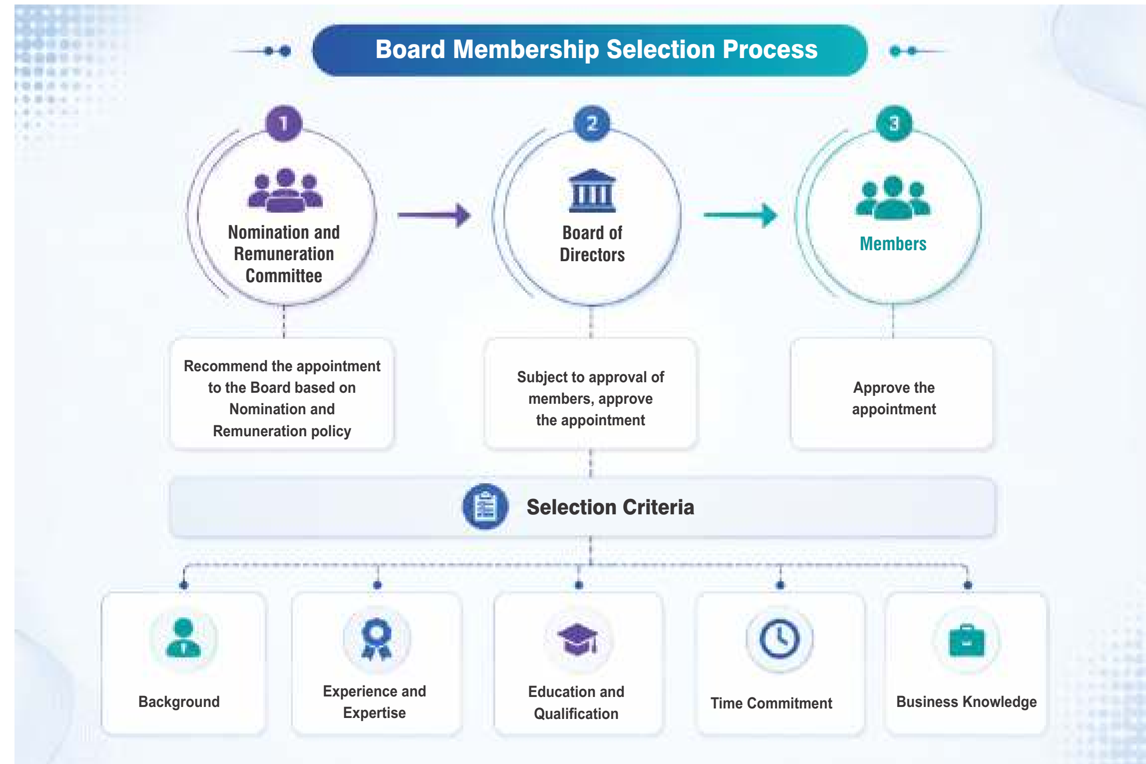
- Mrs. (Dr.) Savita

  Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the company at its meeting held on 21st June 2025 approved the re-appointment of Mrs. (Dr.) Savita (DIN: 08764773) as a Non-Executive Independent Director for a second term of five (5) consecutive years commencing from 22nd June 2025 to 21st June 2030, which was subsequently approved by the members at the 40th AGM held on 6th September 2025.

  Director retired by rotation

- Mr. Sanjay Suri

  Mr. Sanjay Suri, Whole-Time Director of the company, retired by rotation at the 40th AGM held on 6th September 2025 and re-appointed at the said meeting.



Senior Management Personnel

Pursuant to company's Code of Conduct for Board Members and Senior Management Personnel ('Code'), "Senior Management" means the officers and personnel of the company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the company.

As of 31st March 2026, a total of 15 persons, including the Company Secretary and Chief Financial Officer, are classified as 'Senior Management'. All such persons have complied with the Code and have provided annual confirmation to that effect, as detailed below:

S. No.	Name	Designation
1.	Mr. Anubhav Suri	Head - Medipath Division
2.	Mr. Kushal Suri	President - International Growth
3.	Mr. Ajay Kumar Sharma	Chief Financial Officer (KMP)
4.	Mr. Vipul Kumar Srivastava	Company Secretary (KMP)
5.	Ms. Amita Sharma	Chief Operating Officer - Operations (API)
6.	Mr. Sumit Bhatnagar	Vice President - Finance & Accounts
7.	Mr. Rajiv Jain	Vice President - Finance & Accounts
8.	Mr. Nishant Jayesh Doshi	Vice President - Corporate Finance & Investor Relations
9.	Mr. Amrit Ravi	Vice President (Lead Emerging Opportunities)
10.	Mr. Sandeep Kumar	Vice President - Plant Operations (Medipath)
11.	Mr. Manjunath H. S.	Chief of Research & Development
12.	Mr. Charanjeet Chitakara	General Manager (Quality Control)
13.	Mr. Bhola Prasad	General Manager Process Engineering & Technology Transfer
14.	Mr. Vikas Sharma	General Manager - Human Resources
15.	Mr. Vivan Prashar	Assistant Vice President (Projects & Engineering) - Operations (API)

As far as, changes in 'Senior Management' are concerned, as per requirement of the Listing Regulations, during the year under review following changes (excluding routine promotions) are recorded:

S. No.	Name	Designation	Department/ Division/ location	Reason of change	Date of change
1.	Mr. Kushal Suri	President International Growth	API-Corporate Office	Change in Designation	28th April, 2025
2.	Mr. Naresh Sharma	Vice President Operations (API)	API- Baddi	Resignation	5th May, 2025
3.	Mr. Vivan Prashar	Assistant Vice President (Projects & Engineering) - (Operations-API)	API- Baddi	Elevated as functional head	4th June, 2025

Number of shares and convertible instruments held by Non-Executive Directors

None of the Non-Executive Directors of the company hold any share/ convertible instruments of the company as on 31st March 2026.

Number of board meetings and attendance of each Director at the board meetings and the last Annual General Meeting (AGM)

During the financial year 2025-26, the Board met seven (7) times *i.e.*, on 12th May 2025, 21st June 2025, 31st July 2025, 6th August 2025, 16th October 2025, 14th November 2025 and 10th February 2026. The Annual General Meeting ('AGM') for the financial year 2024-2025, was held on 6th September 2025 through video conferencing/ other audio-visual mode. Attendance of the Directors at the Board Meetings and AGM are as follows:

Name of the Director	Attendance at last AGM held on 6th September 2025	Date of Board Meetings							No. of Board meetings held during the tenure	No. of Board meetings attended	% of attendance
		12th May 2025	21st June 2025	31st July 2025	6th August 2025	16th October 2025	14th November 2025	10th February 2026			
Executive Directors											
Mr. Sushil Suri	✓	✓	✓	✓	✓	✓	✓	✓	7	7	100%
Mr. Sanjay Suri[1]	✓	✓	✓	✓	✓	✓	⊗	✓	7	6	85.71%
Non-Executive Independent Directors											
Mr. Praveen Kumar Dutt	✓	✓	✓	✓	⊗	✓	⊗	✓	7	5	71.43%
Mr. Ranjit Khattar	✓	✓	✓	✓	✓	✓	✓	✓	7	7	100%
Mrs. (Dr.) Savita[2]	✓	✓	✓	✓	✓	✓	✓	✓	7	7	100%
Mr. Sharad Jain	✓	✓	✓	✓	✓	✓	✓	✓	7	7	100%
Attendance (%)	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**83.33%**	**100.00%**	**66.67%**	**100.00%**			

✓ Attended ⊗ Not Attended

[1]Re-appointed as Whole-Time Director for a period of three (3) years *w.e.f.*, 13th August 2025. Shareholders' approval for re-appointment obtained on 6th September 2025.

[2]Re-appointed as Independent Director for a second term of five (5) years *w.e.f.*, 22nd June 2025. Shareholders' approval for re-appointment obtained on 6th September 2025.

7 Board Meetings

6 Directors

~92.85 Average Board Attendance

100% Attendance at AGM

The notice and detailed agenda along with the relevant notes and other material information were circulated to the Directors before the meeting including minimum information as required under Regulation 17(7) read with Schedule-II of the Listing Regulations, to the extent applicable and relevant and in exceptional cases tabled at the meeting with the approval of the Board of Directors. All the Directors have full and unrestricted access to any information required by them to understand the transactions and take decisions. It enables the Board to discharge its responsibilities effectively and make an informed decision. The compliance report pertaining to all laws applicable to the company as well as steps taken by the company to rectify instances of non-compliances, if any, was circulated to all the Directors along with the agenda and placed/reviewed on quarterly basis in the Board Meeting.

In adherence to good corporate governance, the significant decisions taken at the Board and Committee meetings are communicated to the concerned departments. Moreover, the actions taken in respect of such decisions are also reported to the Board and the relevant Committees.

Independent Directors

The company has received necessary declaration from each Independent Director as per the provisions of Section 149(7) of the Act, that they meet the criteria of independence laid down in Section 149(6) of the Act. Additionally, they are complying with criteria of independence prescribed in clause (b) of sub-regulation (1) of regulation 16 of the Listing Regulations.

During the year under review a separate meeting of the Independent Directors of the company was held on 10th February 2026, without the presence of Non-Independent Directors and members of the Management except Company Secretary. The Company Secretary attended only for facilitating the meeting. All the Independent Directors of the company were present in the meeting. The Independent Directors at the meeting, *inter-alia*:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman, taking into consideration the views of Executive and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of the flow of information between the Company's Management and the Board.

Based on the majority of feedback, the Independent Directors expressed satisfaction with the overall evaluation process.

The Board of Directors of the company is of the firm opinion that all independent directors of the company fulfil all the requirements/ conditions related to Listing Regulations and the Companies Act, 2013 and its rules made thereunder and are truly independent of the management of the company. During the year, there were not any Independent Director resigned before the expiry of his/her tenure.

Familiarisation Program for Independent Directors

The company had in place a system to familiarize the Independent Directors about the company's profile, products, business performance, operational updates, market presence, board procedures, regulatory compliance status, key business developments, values and commitments of the company. This was achieved through presentations in quarterly engagements, event-based engagements, and ongoing familiarisation.

The details of such familiarization program for Independent Directors are also available at website of the company and can be accessed by clicking here.

Familiarisation Intervention during FY 2025-26

Quarterly Engagement

Quarterly session with senior management covering financial performance, operational updates, compliance status and key business developments.

Event Based Engagement

Event-based session are held to deliberate on specific matters such as acquisitions, industry trends, emerging risks, regulatory changes, litigation and succession planning.

Ongoing Familiarisation

Continuous access to key documents, policies along with site visits and interactions with functional heads to deepen understanding of the Company's operations and governance framework.

Performance Evaluation of Board, Committees & Individual Directors

The company has mechanism for evaluation of the performance of the Board, Committees, individual Directors and Chairman of the Board. As per the requirements of the Act and the Listing Regulations, annual performance evaluation of Board, Independent Directors, Non-Executive Director, Executive Director, Committees and Chairman of the Board is required to be carried out during the year. Such evaluation has been carried out during the financial year ended 31st March 2026. Overview of evaluation framework and criteria is as follows:

Sr. No.	Category	Criteria
1.	Board of Directors	Board structure, composition, diversity, experience, competencies, performance of specific duties and obligations, quality of decision making, board practices, regular meetings, healthy discussions, active participation, open for new ideas and practices, and overall effectiveness of the Board as a whole.
2.	Board Committees	Optimum composition, regular meetings, healthy discussions, information-flow with the Board in terms of reporting and due consideration of Committees' recommendations.
3.	Individual Directors	Requisite qualifications, skills and experience, understanding of the company's business, its market and its goals along with roles and responsibilities, ability to express divergent views and independent judgement, open to new ideas and views from other members, active participation in the meetings.
4.	Chairman and Managing Director	Leadership development, board management, development, encouragement to effective and open communication and active engagement and employee relationships and interests.
5.	Independent Directors	Besides the criteria mentioned in point no. 3 above, the following are additional criteria: • Independence criteria and conflict of interest; • Providing external expertise and independent judgement that contributes to the Board's deliberations, strategy and performance.

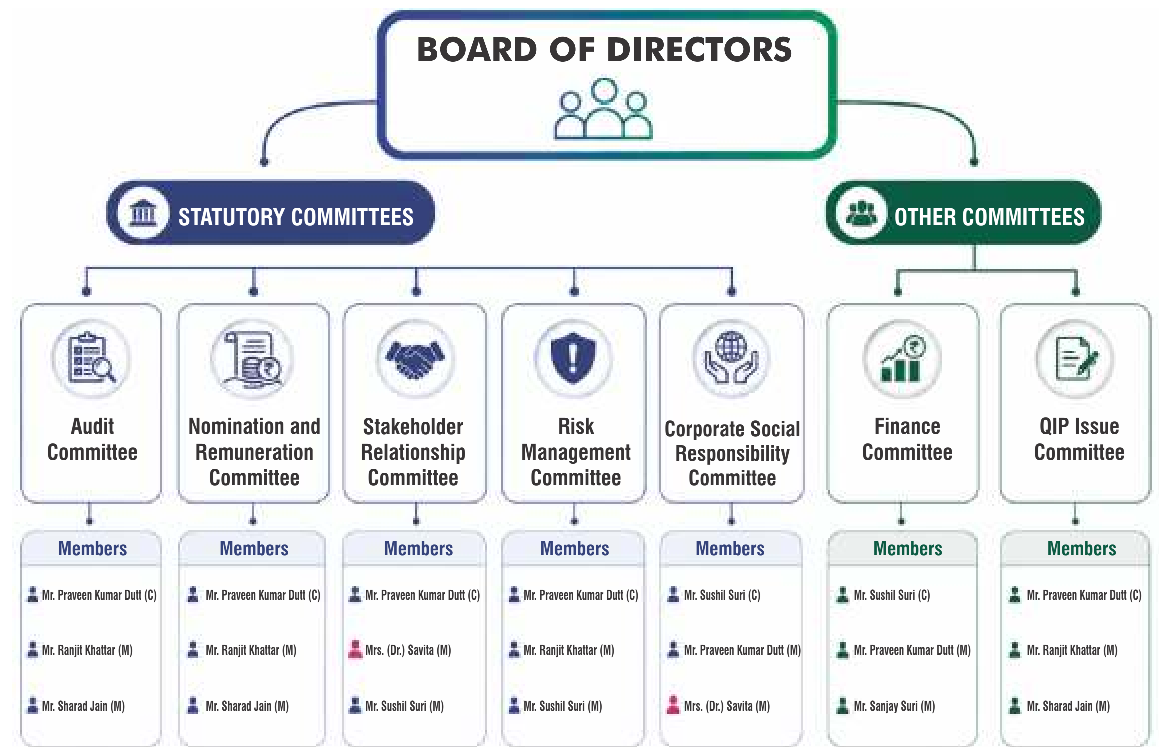
The evaluation process covers structured questionnaire covering aspects, which were shared with the Directors. During the evaluation process, Board members submitted their response on a scale of 1 (indicating minimum positive) to 10 (maximum positive) and evaluated performance of Board, its committees and individual directors, including Chairman of the Board.

The performance evaluation of the Independent Directors has been done by the entire Board, excluding the Director being evaluated. All Directors participated and completed the performance evaluation process and expressed their satisfaction with the evaluation process.

3. Board Committees

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles under which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.

Committees Composition as on 31st March 2026:



Hints: [C] = Chairman; [M] = Member

AUDIT COMMITTEE

The company has an Audit Committee, as per the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. The terms of reference of the Audit Committee includes the matters specified under Regulation 18 and Part C of Schedule II of the Listing Regulations and Section 177 of the Act, as amended from time to time and other matters referred by Board.

Composition of the Committee

As on 31st March 2026, the Company's Audit Committee comprises following members of the Board of Directors.

S. No.	Name of the Committee' member	Category	Status
1.	Mr. Praveen Kumar Dutt	Non-Executive Independent Director	Chairman
2.	Mr. Ranjit Khattar	Non-Executive Independent Director	Member
3.	Mr. Sharad Jain	Non-Executive Independent Director	Member

The Audit Committee, reconstituted on 27th August 2024, continued without any change in its composition during the financial year under review.

Committee Governance

- The composition of the Committee is in line with the applicable provisions of the SEBI Listing Regulations and the Act.
- All the members of the Committee are financially literate i.e., can read and understand financial statements. The majority of the members of the Audit Committee possesses accounting or related financial management expertise.
- The Audit Committee meets at least four (4) times in a year, within a maximum time gap of 120 days between any two (2) consecutive meetings.
- The meeting of Audit Committee is also attended by the Chief Financial Officer, Statutory Auditors and the special invitees with the confirmation of the Chairman of the Audit Committee of the company.
- The Committee, being designated as those charged with governance (TCWG), held dedicated meetings with the statutory auditors well in advance, inter alia, prior to the commencement of the audit and before the approval of the financial statements.
- The Company Secretary of the company acts as the Secretary to the Committee.
- As per Regulation 18(1) of the Listing Regulations, Section 177 of the Act and the Secretarial Standards, Mr. Praveen Kumar Dutt, the Chairman of the Committee was present at the last Annual General Meeting of the company to answer members queries.

Meetings and attendance during the year

During the period under review, Six (6) meetings were held *i.e.*, on 12th May 2025, 21st June 2025, 31st July 2025, 6th August 2025, 14th November 2025 and 10th February 2026. The attendance of members is as follows:

Name of the Committee' member	Date of Audit Committee Meetings						No. of meetings held during the tenure	No. of meetings attended	% of attendance
	12th May 2025	21st June 2025	31st July 2025	6th August 2025	14th November 2025	10th February 2026			
Mr. Praveen Kumar Dutt	✓	✓	✓	⊗	⊗	✓	6	4	66.67%
Mr. Ranjit Khattar	✓	✓	✓	✓	✓	✓	6	6	100%
Mr. Sharad Jain	✓	✓	✓	✓	✓	✓	6	6	100%
Attendance (%)	100.00%	100.00%	100.00%	66.67%	66.67%	100.00%			

✓ Attended ⊗ Not Attended

100% Independence

6 Meetings

3 Members

~88.89% Average Attendance

Brief terms of reference of the Audit Committee

The terms of reference, role and powers of the Audit Committee are as per the applicable provisions of the Act and Listing Regulations, *inter-alia*, including the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with reference to:
   - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   - Changes, if any, in accounting policies and practices and reasons for the same;
   - Major accounting entries involving estimates based on the exercise of judgment by management;
   - Significant adjustments made in the financial statements arising out of audit findings;
   - Compliance with listing and other legal requirements relating to financial statements;
   - Disclosure of any related party transactions; and
   - Modified opinion(s), if any, in the draft audit report.
5. Reviewing with the management, the quarterly financial results before submission to the Board for approval;
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and
21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the company and its shareholders.
22. Management discussion and analysis of financial condition and results of operations.
23. Management letters / letters of internal control weaknesses issued by the statutory auditors.
24. Internal audit reports relating to internal control weaknesses.
25. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

26. Statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

27. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Key matters considered by the Audit Committee, *inter alia*, included:

S. No.	Particulars	Frequency
1.	Reviewed and recommended, standalone and consolidated financial results of the Company and its subsidiaries.	Quarterly
2.	Reviewed and approved transactions with related parties.	Quarterly
3.	Reviewed status of borrowings and inter-corporate loans and investments.	Quarterly
4.	Reviewed the report of internal audit.	Quarterly
5.	Reviewed statement of usage of Qualified Institutional Placement issue proceeds and report of monitoring agency	Quarterly
6.	Omnibus approval for the related party transactions proposed to be entered into by the Company or its subsidiary.	Periodically
7.	Reviewed the significant transactions of the subsidiaries.	Periodically
8.	Discussion with Statutory Auditors regarding the Company's financial statements/results or any other matters as the committee deemed necessary.	Periodically
9.	Reviewed compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and verified adequacy of internal controls.	Annually
10.	Oversaw the Company's financial reporting process and reviewed, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval.	Annually
11.	Reviewed management's discussion and analysis report.	Annually
12.	Considered and recommend the report of Secretarial Auditors.	Annually
13.	Considered and recommend the report of Cost Auditors.	Annually
14.	Discussed with statutory auditors about the nature and scope of audit, before commencement, as well as post-audit discussion to ascertain any area of concern.	Annually
15.	Reviewed and monitored the auditor's independence and performance and effectiveness of audit process and audit reports submitted by the auditor.	Annually
16.	Reviewed the adequacy of internal audit function and discussed with the internal auditors on the significant findings and the subsequent course of action.	Annually
17.	Noted the disclosures by promoters and members of the promoter group or person acting in concern under regulation 31(5) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011).	Annually

Quarterly Periodically Annually

NOMINATION AND REMUNERATION COMMITTEE

The company has a duly constituted Nomination & Remuneration Committee. The Committee's constitution and terms of reference are in compliance with the provisions of Regulation 19 and Part D of Schedule II of the Listing Regulations and Section 178 of Companies Act, 2013, as amended, from time to time and other matters referred by the Board.

Composition of the Committee

As on 31st March 2026, the Company's Nomination & Remuneration Committee comprises following members of the Board of Directors.

S. No.	Name of the Committee' member	Category	Status
1.	Mr. Praveen Kumar Dutt	Non-Executive Independent Director	Chairman
2.	Mr. Ranjit Khattar	Non-Executive Independent Director	Member
3.	Mr. Sharad Jain	Non-Executive Independent Director	Member

The Nomination & Remuneration Committee, reconstituted on 27th August 2024, continued without any change in its composition during the financial year under review.

Committee Governance

- The composition of the Committee is in line with the applicable provisions of the SEBI Listing Regulations and the Act.
- The Company Secretary of the company acts as the Secretary to the Committee.
- In compliance with Regulation 19(3) of the Listing Regulations, Section 178 of the Companies Act 2013 and the Secretarial Standards, Mr. Praveen Kumar Dutt, Chairman of the Committee was present at the last AGM of the company to answer shareholder queries.

Meetings and attendance during the year

During the period under review, four (4) meetings of Nomination and Remuneration Committee were held *i.e.* on 12th May 2025, 21st June 2025, 6th August 2025 and 10th February 2026. The attendance of members is as follows:

Name of the Committee' member	Date of Nomination and Remuneration Committee Meetings				No. of meetings held during the tenure	No. of meetings attended	% of attendance
	12th May 2025	21st June 2025	6th August 2025	10th February 2026			
Mr. Praveen Kumar Dutt	✓	✓	⊗	✓	4	3	75%
Mr. Ranjit Khattar	✓	✓	✓	✓	4	4	100%
Mr. Sharad Jain	✓	✓	✓	✓	4	4	100%
Attendance (%)	**100.00%**	**100.00%**	**66.67%**	**100.00%**			

✓ Attended ⊗ Not Attended

100%	4	3	~91.67
Independence	Meetings	Members	Average Attendance

Brief terms of reference of the Nomination and Remuneration Committee

The terms of reference, role and powers of the Nomination and Remuneration Committee are as per the applicable provisions of the Act and Listing Regulations and includes the following:

1. Formulation of criteria for determining qualification, positive attributes and independence of Directors; Recommendation of the remuneration policy for the Directors, Key Managerial Personnel, and other employees.
2. In case of appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. The Nomination and Remuneration Committee may select the suitable candidate by:
   a) use the services of an external agencies, if required;
   b) consider candidates from a wide range of backgrounds, having due regard to diversity;
   c) consider the time commitments of the candidates.

3. Formulation of criteria for evaluation of performance of the Independent Directors, the Board and the Committees thereof; Recommendation of remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria and commissions to non-executive Directors.
4. Devise a policy on Board diversity.
5. Identifying persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel/ Senior Management Personnel in accordance with the criteria laid down and recommending to the Board their appointment, removal, and other terms as may be referred by the Board from time to time.
6. Requirement of extension or continuation of term of appointment of the Independent Director, on the basis of the performance evaluation report of Independent Directors.
7. Recommendation to the board, all remuneration, in whatever form, payable to senior management.

Key matters considered by the Nomination and Remuneration Committee, *inter alia*, included:

S. No.	Particulars	Frequency
1.	Identified persons for appointment as Senior Management Personnel and recommended to the Board.	
2.	Considered and recommend performance-based incentive to members of promoter group and senior management personnel to the Board.	
3.	Recommended the annual appraisal of promoter, members of promoter group, key managerial personnel and senior management personnel to the Board.	
4.	Formulation of criteria for evaluation of performance of independent directors and the board of directors.	
5.	Extended independent director terms based on performance evaluation results.	
6.	Reviewed and recommended the annual rotation of Director.	

Periodically Annually

Performance evaluation of Directors and criteria for Independent Directors

The Nomination & Remuneration Committee carries out the evaluation of performance of individual Directors. Further, in accordance with Schedule IV to the Act and Regulation 17(10) the Listing Regulations, performance evaluation of Independent Directors is done by the entire Board excluding the Director being evaluated.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the company are available on the website of the company and can be accessed by clicking here.

The Remuneration to the Executive Directors is paid in accordance with the provisions of the Act, Articles of Association and as per the Nomination and Remuneration Policy of the company. The Nomination and Remuneration Policy of the company are aimed at:

- Identifying persons who are qualified to become Directors and persons who may be appointed at senior management and Key Managerial positions;
- Attracting talented managerial persons considering the talent market, the remuneration trend and the competitive requirement of the business;
- Retaining high-calibre talent; and
- Determining remuneration of Directors, Key Managerial Personnel and functional heads.

Presently, except sitting fees Non-Executive Directors are not paid any remuneration. Further, none of the Non-Executive Directors have any pecuniary relationship or transaction *vis-a-vis* the company.

Details of remuneration disbursed to Executive Directors of the company, during the period under review are as under:

(Amount in ₹ /Lakhs)

Name of Director	Salary	Perks	Commission	Sitting Fee	Total
Mr. Sushil Suri	202.49	72.71	-	-	275.20
Mr. Sanjay Suri	143.26	29.39	-	-	172.65

The Nomination and Remuneration Committee determines key parameters for performance linked incentive of Executive Directors and paid annually based on the individual performance and organisation performance.

Details of sitting fee paid to Non- Executive Directors of the company, during the year under review are as under;

Name of Director	Sitting fee (Amount in ₹/ Lakhs)
Mr. Praveen Kumar Dutt	6.30
Mr. Ranjit Khattar	5.90
Mr. Sharad Jain	5.50
Mrs. (Dr.) Savita	4.70

There is no separate service contract executed with Directors of the company, the terms and condition including notice period, severance fees etc., are as per appointment letter and in accordance with the policy of the company. The company does not have any stock option scheme.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to compliance of Regulation 20 and Part D of Schedule II of Listing Regulations and Section 178 of the Act, as amended from time to time, the company have a duly constituted Stakeholders Relationship Committee.

Composition of the Committee:

As on 31st March 2026, the Company's Stakeholders Relationship Committee comprises following members of the Board of Directors.

S. No.	Name of the Committee' member	Category	Status
1.	Mr. Praveen Kumar Dutt	Non-Executive Independent Director	Chairman
2.	Mrs. (Dr.) Savita	Non-Executive Independent Director	Member
3.	Mr. Sushil Suri	Executive Director	Member

The Stakeholders Relationship Committee, reconstituted on 27th August 2024, continued without any change in its composition during the financial year under review.

Committee Governance

- The composition of the Committee is in line with the applicable provisions of the SEBI Listing Regulations and the Act.
- Mr. Vipul Kumar Srivastava, Company Secretary of the company, has been designated as Compliance Officer of the company and acts as the Secretary of the Committee.
- Pursuant to Section 178(7) of the Act read with Regulation 20 of the Listing Regulations and the Secretarial Standards, Mr. Praveen Kumar Dutt, chairman of the Committee was present at the last AGM of the company to answer members' queries.

Role of Stakeholders' Relationship Committee

The role and terms of reference of Stakeholders' Relationship Committee are as follows:

- Redressal of grievances of the members, including complaints relating to transfer, transmission, transposition, issue of duplicate share certificates/letter of confirmation *(up-to 1st April 2026)*, dematerialisation, and other matters relating to securities of the company;
- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar to an Issue and Share Transfer Agent;
- Redressal of grievances of the matters related to non-receipt of declared dividends, balance sheets, annual report or any other documents or information sent by the company to the members.
- Review of measures taken for effective exercise of voting rights by the members.
- Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants (*up-to 18th November 2025*)/ annual reports/ statutory notices by the members of the company.

The company and its Registrar to an Issue and Share Transfer Agent attend all grievances received from the shareholders. Efforts are made to ensure that all the grievances of the shareholders are redressed expeditiously and satisfactorily. A separate e-mail i.e., investors@morepen.com, has been designated by the company for the members to lodge their complaints/ queries. Members may also communicate with the Company's Registrar to an Issue and Share Transfer Agent at investor@masserv.com for investor-related services.

Shareholder's holding shares in physical mode, may address such correspondences either to the Company Secretary of the company or Mas Services Limited (Registrar to an Issue and Share Transfer Agent of the company). However, queries relating to non-receipt of dividend or non-receipt of annual reports and others, should be addressed to the company. Members are requested to indicate their DP ID & Client ID/ Ledger folio number in their correspondence with the company and to provide their email addresses and telephone numbers to facilitate prompt response from the company.

Key matters considered by the Stakeholders' Relationship Committee, *inter alia*, included:

S. No.	Particulars	Frequency
1.	Resolved the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings.	Periodically
2.	Reviewed the measures adopted by the company with respect to re-lodgement of transfer requests of physical shares.	Periodically
3.	Reviewed measures taken for effective exercise of voting rights by shareholders.	Annually
4.	Reviewed adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar to an Issue and Share Transfer Agent.	Annually
5.	Reviewed various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.	Annually

Periodically Annually

SEBI Complaints Redressal System (SCORES):

The company has registered with SCORES. In SCORES, the investor complaints may be processed in a centralized web-based complaints redressal system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the company and online viewing by investors/shareholder of actions taken on the complaint and its current status.

The company has received, in aggregate, two (2) shareholders'/investors' complaints during the year and all complaints have been resolved/answered to the satisfaction of the shareholders. No complaint remained un-attended/pending for resolution beyond the statutory prescribed time.

SEBI Smart Online Dispute Resolution Portal (ODR Portal):

The SEBI has introduced an Online Dispute Resolution ('ODR') mechanism to streamline the resolution of disputes between investors and various market participants. This initiative aims to provide a more efficient, transparent, and cost-effective method for addressing grievances, enhancing investor confidence in the securities market. In line with the requirements, the company has also registered at ODR platform and providing services by placing a weblink on website at www.morepen.com/ ODR Portal the same can be accessed by clicking here.

SEBI's Online Dispute Resolution mechanism represents a significant step forward in the regulation and oversight of the securities market. By providing an efficient, transparent, and accessible platform for resolving disputes, SEBI ODR not only enhances investor confidence but also contributes to the overall stability and integrity of the market. This initiative underscores SEBI's commitment to protecting investor interests and fostering a fair and equitable market environment.

RISK MANAGEMENT COMMITTEE

Pursuant to compliance of Regulation 21 and Part D of Schedule II of Listing Regulations a, as amended from time to time, The company have a Risk Management Committee of the Board of Directors for monitoring and reviewing of the risk and its management.

Composition of the Committee

As on 31st March 2026, the Company's Risk Management Committee comprises following members of the Board of Directors.

S. No.	Name of the Committee' member	Category	Status
1.	Mr. Praveen Kumar Dutt	Non-Executive Independent Director	Chairman
2.	Mr. Ranjit Khattar	Non-Executive Independent Director	Member
3.	Mr. Sushil Suri	Executive Director	Member

The Risk Management Committee, reconstituted on 27th August 2024, continued without any change in its composition during the financial year under review.

Committee Governance

- The composition of the Committee in line with the applicable provisions of the SEBI Listing Regulations and the Act.
- The Committee meets at least twice in a financial year, within a maximum time gap of two hundred ten (210) days between any two (2) consecutive meetings.
- The Company Secretary of the company acts as the Secretary to the Committee.

Meetings and attendance during the year

During the period under review, two (2) meetings of Risk Management Committee were held *i.e.* on 12th May 2025 and 14th November 2025. The attendance of members is as follows:

Name of the Committee' member	Date of Risk Management Committee Meetings		No. of meetings held during the tenure	No. of meetings attended	% of attendance
	12th May 2025	14th November 2025			
Mr. Praveen Kumar Dutt	Attended	Not Attended	2	1	50%
Mr. Ranjit Khattar	Attended	Attended	2	2	100%
Mr. Sushil Suri	Attended	Attended	2	2	100%
Attendance (%)	**100.00%**	**66.67%**			

Attended Not Attended

66.67% Independence | 2 Meetings | 3 Members | ~83.33 Average Attendance

Brief terms of reference of the Risk Management Committee:

The terms of reference, role and powers of the Risk Management Committee are as per the applicable provisions of the Act and Listing Regulations and include the following:

1. Formulation of a detailed risk management policy which shall include:
   a) framework for identification of internal and external risks specifically faced by the company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b. Measures for risk mitigation including systems and processes for internal control of identified risks.
   c. Business continuity plan.
2. Applicability of appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the company;
3. Monitoring and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. Periodic review of risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. Information to the board of directors about the nature and content of its discussions, recommendations and actions to be taken;
6. Appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

Key matters considered by the Risk Management Committee, *inter alia*, included:

S. No.	Particulars	Frequency
1.	Identified internal and external risks specifically faced by the company including financial, operational, sectoral or other risks.	Periodically
2.	Reviewed risk management policy.	Periodically
3.	Ensured appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the company.	Periodically
4.	Monitored and oversaw implementation of the risk management policy, including evaluation of the adequacy of risk management systems.	Annually

Periodically Annually

Note: Based on the market capitalization list of the Stock Exchanges as of 31st December 2024, the company was included in the top 1000 listed entities. Consequently, compliance with Regulation 21 of listing Regulations i.e. Risk Management Committee was ensured by the company for the financial year 2025-2026. However, As of 31st December 2025, the company was ranked outside top 1000 (i.e., at sr. no. 1030 at BSE; and at sr. no. 1010 at NSE) listed entities.

It is to be note that as per Regulation 3(2A) read with Regulation 3(2B) of Listing Regulations, compliance based on market capitalization criteria continues unless the company remains outside the applicable threshold for three consecutive years.

Since this is the first year the company has ranked outside of the top 1000 listed entities, the provision for the Risk Management Committee continues to be applicable. Accordingly, the company is complying with the said provisions for the Financial Year 2026-27.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The company have also a duly constituted Corporate Social Responsibility Committee in compliance of Section 135 of the Companies Act, 2013 and its rules made thereunder.

Composition of the Committee:

The Corporate Social Responsibility ('CSR') Committee was constituted by the Board of Directors of the company. The composition of the CSR Committee is in compliance with the provisions of Section 135 of the Act. As on 31st March 2026 the CSR Committee is comprising following members:

S. No.	Name of the Committee' member	Category	Status
1.	Mr. Sushil Suri	Executive Director	Chairman
2.	Mr. Praveen Kumar Dutt	Non-Executive Independent Director	Member
3.	Mrs. (Dr.) Savita	Non-Executive Independent Director	Member

The CSR Committee, reconstituted on 27th August 2024, continued without any change in its composition during the financial year under review.

Committee Governance

- The composition of the Committee in line with the applicable provisions of the Act.
- The Company Secretary of the company acts as the Secretary to the Committee.

Meetings and attendance during the year

During the period under review, two (2) meetings of CSR Committee were held i.e., on 6th August 2025 and 10th February 2026. The attendance of members is as follows:

Name of the Committee' member	Date of Corporate Social Responsibility Committee Meetings		No. of meetings held during the tenure	No. of meetings attended	% of attendance
	6th August 2025	10th February 2026			
Mr. Sushil Suri	✓	✓	2	2	100%
Mr. Praveen Kumar Dutt	⊗	✓	2	1	50%
Mrs. (Dr.) Savita	✓	✓	2	2	100%
Attendance (%)	**66.67%**	**100.00%**			

✓ Attended ⊗ Not Attended

66.67%	2	3	~83.33
Independence	Meetings	Members	Average Attendance

The CSR Policy of the company is available on the website of the company and can be accessed by clicking here.

Role of Corporate Social Responsibility Committee

The Role and Terms of Reference of the CSR Committee, includes the following:

- Formulation and updation of the CSR Policy;
- Decide of the CSR activities to be taken up by the company in accordance with the CSR Policy and recommend to the Board of Directors;
- Decide the amount to be allocated for each project or activity and recommend to the Board of Directors;
- Overseeing and monitoring the progress of the initiatives rolled out under the CSR policy;
- Submission of report, to the Board on all CSR activities undertaken during the financial year.

Key matters considered by the Corporate Social Responsibility Committee, *inter alia*, included:

S. No.	Particulars	Frequency
1.	Monitored implementation and adherence to the CSR Policy of the Company from time to time.	Periodically
2.	Oversaw the execution of projects or programmes; the modalities of utilisation of funds and implementation schedules for the projects/programmes.	Periodically
3.	Recommended the amount of expenditure to be incurred on the CSR activities.	Periodically
4.	Recommended CSR Annual Action Plan.	Annually
5.	Recommended CSR Annual Report.	Annually
6.	Noted Certificate issued by Chief Financial Officer for utilisation of the CSR expenditure.	Annually

Periodically Annually

FINANCE COMMITTEE

The Board at its meeting held on 27th July 2021, constituted the Finance Committee, *inter-alia*, to oversee day to day business and affairs of the Company and to take decisions on routine operations that arise in the normal course of business. The Committee is governed by the terms of reference as laid down by the Board of Directors of the Company.

Composition of the Committee:

As on 31st March 2026 the Company's Finance Committee comprises following members of the Board of Directors.

S. No.	Name of the Committee' member	Category	Status
1.	Mr. Sushil Suri	Executive Director	Chairman
2.	Mr. Praveen Kumar Dutt	Non-Executive Independent Director	Member
3.	Mr. Sanjay Suri	Executive Director	Member

Committee Governance

- The Finance Committee convenes meetings periodically, aligned with business requirements.
- The Company Secretary of the company acts as the Secretary to the Committee.

Meetings and attendance during the year:

During the period under review, nine (9) meetings of Finance Committee were held i.e., on 28th April 2025, 23rd May 2025, 26th June 2025, 30th June 2025, 10th November 2025, 16th December 2025, 11th February 2026, 10th March 2026 and 23rd March 2026. The attendance of members is as follows:

Name of the Committee' member	Date of Finance Committee Meetings									No. of meetings held during the tenure	No. of meetings attended	% of attendance
	28th April 2025	23rd May 2025	26th June 2025	30th June 2025	10th November 2025	16th December 2025	11th February 2026	10th March 2026	23rd March 2026			
Mr. Sushil Suri	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	9	100%
Mr. Praveen Kumar Dutt	✓	✓	✓	✓	⊗	✓	✓	✓	✓	9	8	88.89%
Mr. Sanjay Suri	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	9	100%
Attendance (%)	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**66.67%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**			

✓ Attended ⊗ Not Attended

9	3	~96.30%
Meetings	Members	Average Attendance

Role and Terms of reference of Finance Committee:

The finance committee perform its function within the power delegated by the Board of Directors and limits, whereas applicable, approved by the members of the Company. The role and terms of reference of the Finance Committee, includes the following:

1. Review the Company's financial policies and procedures;
2. Grant loans or give guarantee or provide security in respect of loans;
3. Borrow monies including but not limited to Banks/ FIIs i.e., bank guarantee, letter of credit etc.;
4. Investment in securities and access to liquidity;
5. Reviewing and recommending to the board methods and terms of external financing and other financial transactions required to achieve the company's objectives;
6. Review banking arrangements and cash management;
7. Approve opening of bank accounts as may require in day-to-day course of business;
8. Approve modifications in the authorised signatories in the bank accounts;
9. Delegate authorities from time to time to the executives/ authorized persons to implement the decisions of the committee;
10. Approve and provide any other bank related authorisation in day-to-day course of business;
11. Approve any changes made in the annual budget;
12. Carry out any other function as is mandated by the board from time to time and/or enforced by any statutory notification, amendment or modification/ statutory compliance as may be applicable;
13. Other matters, as directed by the board.

QIP ISSUE COMMITTEE

The Board at its meeting held on 22nd February 2024, constituted the QIP issue Committee, *inter-alia*, to decide quantum, price, opening and closing, objects of the issue, selection of investors to whom issue is to be made and other related matters and to carry out such other functions as may be necessary or desirable and also to settle any question, difficulty or doubt that may arise in connection with the Issue.

Composition of the Committee:

As on 31st March 2026 the Company's QIP Issue Committee comprises following members of the Board of Directors.

S. No.	Name of the Committee' member	Category	Status
1.	Mr. Praveen Kumar Dutt	Non-Executive Independent Director	Chairman
2.	Mr. Ranjit Khattar	Non-Executive Independent Director	Member
3.	Mr. Sharad Jain	Non-Executive Independent Director	Member

The QIP Issue Committee, reconstituted on 27th August 2024, continued without any change in its composition during the financial year under review.

Mr. Vipul Kumar Srivastava, Company Secretary of the company acts as the Secretary of the Committee.

Role and Terms of reference of QIP Issue Committee:

The brief role and terms of reference of the QIP Issue Committee, includes the following:

1. Decide quantum of the Issue, the date for the opening and closing of the Issue, the class of investors to whom the securities allotted, type/number of securities allotted, the issue price, issue schedule, approval and execution of various transaction documents.
2. Finalization of the allotment of the equity shares on the basis of the subscriptions received.
3. Decide and finalize the objects of the issue for which funds are being raised by the company.
4. Finalization of any arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/offer document(s), letter of offer(s), placement document(s) and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies.
5. Finalization of the materiality policy with respect to disclosures to be made in the preliminary and final placement document;
6. Approval and adoption of any special purpose financials statements, if any, in respect of the QIP;
7. Entering into any arrangement for managing and marketing the Issue and to appoint, in its absolute discretion, book running lead manager(s), legal advisor(s), escrow bank(s)/agent(s) and other agents as may be required in order to facilitate or consummate the Issue and sign all documents in relation to the Issue thereof and to pay any fees, commissions, remunerations, and expenses in connection with the Issue.
8. Approval of the deposit agreement(s), placement agreement, escrow agreement, the purchase/underwriting agreement, the trust deed, the indenture, other certificate representing the securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents as may be necessary for the purpose of issue.
9. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting the in-principle listing application to the Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing.
10. Opening of one or more bank accounts in the name of the company as may be required in connection with the aforesaid issue, including with any escrow bank.
11. Taking decision pertaining to road shows (deal and non-deal road shows) and investor meet(s).
12. Settlement of all questions, difficulties or doubts that may arise in regard to such issue.
13. Taking necessary actions and steps for obtaining relevant approvals as may be required from such authorities as may be necessary in relation to the Issue.
14. Doing all such acts, deeds, matters and things as the QIP Issue Committee may, in its absolute discretion, consider necessary, proper, expedient, desirable or appropriate for making the said issue.

4. GENERAL BODY MEETINGS

The General Body Meetings, *i.e.*, Annual General Meetings were held in accordance with the requirements of Listing Regulations and the Companies Act, 2013.

Details of the last three Annual General Meetings (AGMs):

Financial Year	Location/ Mode	Date & Time	Special Resolution(s) Passed	Transcript	Other Web Links
2024-2025		6th September 2025 at 1.00 p.m.	Yes, please refer below note 1.	Transcript available at link	Notice Results
2023-2024		28th September 2024 at 1.00 p.m.	Yes, please refer below note 2.	Transcript available at link	Notice Results
2022-2023		28th September 2023 at 1.00 p.m.	Yes, please refer below note 3.	Transcript available at link	Notice Results

The meeting was held through video conferencing/ other audio-visual mode, deemed venue of the meeting was the registered office of the company *namely* Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh.

Note 1: The details of special resolutions passed at the 40th AGM held on 6th September 2025:

a) Re-appointment of Mrs. (Dr.) Savita (DIN: 08764773) as an Independent Director.

b) Re-appointment of Mr. Sanjay Suri (DIN: 00041590) as a Whole-Time Director.

c) Extension of time for hiving off Medical Devices Business of the Company, a material related party transaction, into Morepen Medipath Limited (Formerly known as Morepen Medtech Limited), subsidiary company as a going concern on slump sale basis.

d) Conversion of loans into shares or convertible instruments or other securities.

Note 2: The details of special resolutions passed at the 39th AGM held on 28th September 2024:

a) Re-appointment of Mr. Praveen Kumar Dutt (DIN: 06712574) as an Independent Director.

b) Appointment of Mr. Ranjit Khattar (DIN: 00726997) as an Independent Director.

c) Appointment of Mr. Sharad Jain (DIN: 06423452) as an Independent Director.

Note 3: The details of special resolutions passed at the 38th AGM held on 28th September 2023:

a) Remuneration paid/ payable to Mr. Sushil Suri (DIN: 00012028) as the Chairman & Managing Director from 1st April 2023 to 19th October 2023.

b) Re-appointment of Mr. Sushil Suri (DIN: 00012028) as the Chairman & Managing Director.

No Special Resolution was passed through postal ballot, during the period under review. None of the businesses proposed to be transacted at the ensuing Annual General Meeting are required to be transacted through postal ballot.

5. Codes, Policies and Frameworks

In line with our Corporate Governance philosophy, which emphasizes adherence to ethical and governance standards, the company is committed to ensuring fairness, accountability, responsibility, and transparency for all its stakeholders. The company, inter-alia, has adopted the following policies and codes. These policies are reviewed periodically by the Board and updated as and when needed. All these policies/ codes have been uploaded on the website of the Company at www.morepen.com

Name of the Policy/Codes	Key Objectives	Links
Corporate Social Responsibility Policy	To ensure CSR amount is allocated, monitored, spent and reported.	Click here
Code of Conduct for Board Members and Senior Management Personnel	To ensure that Directors and Senior management are aware of core guiding principles while conducting the business of the company.	Click here
Code of Conduct to regulate, monitor & report of trading by insiders	To ensure regulation of trading, communication of unpublished price sensitive information (USPI) and reporting by designated persons in relation to securities or UPSI of the Company.	Click here
Code of practices and procedures for fair disclosure of unpublished price sensitive information	To ensure uniform disclosure practices are adopted for any kind of unpublished price sensitive information.	Click here
Dividend Distribution Policy	To provide guidance to stakeholders as to when one should expect to receive dividend and help the management to develop effective dividend strategy under guidance of the Board.	Click here
Nomination and Remuneration policy for directors, key managerial personnel and other employees	To provide structured framework for selecting and remunerating the Directors, key managerial personnel and Senior management.	Click here
Determination of materiality for disclosures policy	To develop standardized process for identifying and reporting the material events.	Click here
Policy for determining material subsidiary	To ensure governance around material subsidiaries viz identification, approvals required for disposal of subsidiaries etc.	Click here
Familiarisation programme for independent directors	To ensure structured approach and process for familiarisation of Independent Directors.	Click here
Risk management policy	To enable the company in adopting defined process for identifying, assessing monitoring, managing and reporting the key risks.	Click here
Policy on dealing with related party transaction	To ensure strong governance process around identification, dealing and approval of the related party transactions.	Click here
Whistle Blower Policy	To provide a formal process of raising complaints without fear of being reprimanded thereby reposing confidence amongst the stakeholders.	Click here
BRSR Policy	To ensure the level of reporting on environmental, social, and governance (ESG) performance.	Click here

6. MEANS OF COMMUNICATION

The Company acknowledges the significance of fostering two-way communication with its members and to give balanced and timely reporting of disclosures, results etc. and respond to questions & issues raised, in a timely and consistent manner. Members seeking any information or clarification may contact the company directly throughout the year. Some of the modes of communication are mentioned below:

Quarterly Results: The Company's quarterly / half-yearly / annual financial results are sent to the stock exchanges and are also available on the website of the company viz., www.morepen.com

Newspaper Publications: The financial results (quarterly/ half-yearly / annual results) of the company were published in 'Financial Express' (English) and 'Jansatta' (Hindi) within 48 hours of the conclusion of the respective meetings at which results were approved, the publications contained a Quick Response code and hosted on the company's website viz., www.morepen.com

Annual Report: The company sent annual reports, notices, and other communications to the shareholders electronically at their email-ids as registered in the depository system or with the Registrar to an Issue and Share Transfer Agent (physical shareholdings) and shall be given the physical copies to those who have asked for the same.

In addition, a letter was also sent to the members whose email-ids were not registered, informing them about the availability of the Annual Report on the company's website and providing the web link, including the exact path, for accessing the same.

Website: The Company's website (www.morepen.com) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. The Company has implemented a separate dedicated section for "Investors" where members related information is available.

The said section provides comprehensive information about the Company and is being regularly updated, from time to time, with the financial performance, stock exchange filings, all statutory policies, annual reports, status of unclaimed / unpaid dividend, transcript of AGMs, Business Responsibility and Sustainability Reporting and the latest press releases and other important events/ information.

News Release and presentation etc.: The press releases and official announcements, as applicable, are promptly disseminated on the company's website on the happening of any material event, Further, quarterly investor presentations providing an overview of the company's financial performance, business developments and strategic initiatives are submitted to the Stock Exchanges and are simultaneously made available on the company's website.

Shareholder engagement: The officials of the Company and RTA on a continuous basis engage with the members to explain the procedures and documents required for processing their service requests. Once the contact is established efforts are made to enable the shareholders to submit requisite and valid documents and approve their service request in one go.

7. GENERAL SHAREHOLDERS INFORMATION

1.	Date, Time and Venue of Annual General Meeting	Saturday, 26th September 2026 at 1.00 p.m. (I.S.T.) through video conferencing or other audio-visual means. The Registered office of the company shall be deemed to be the venue for the AGM. For details, please refer to the Notice of this AGM.	
2.	Financial Year	The Company follows 1st April to 31st March as its financial year.	
3.	Financial Calendar 2026-27	**Quarter ended on**	**Actual or tentative date (on or before as the case may be)**
		30th June 2026	4th August 2026
		30th September 2026	14th November 2026
		31st December 2026	14th February 2027
		31st March 2027	30th May 2027
4.	Dividend, Record Date and Dividend Payment Date	The Board has considered and recommended a final dividend of ₹0.20/- per equity share of face value of ₹2/- each for financial year ended 31st March 2026, subject to approval of the members at the ensuing AGM. **Record Date:** Saturday, 19th September 2026	

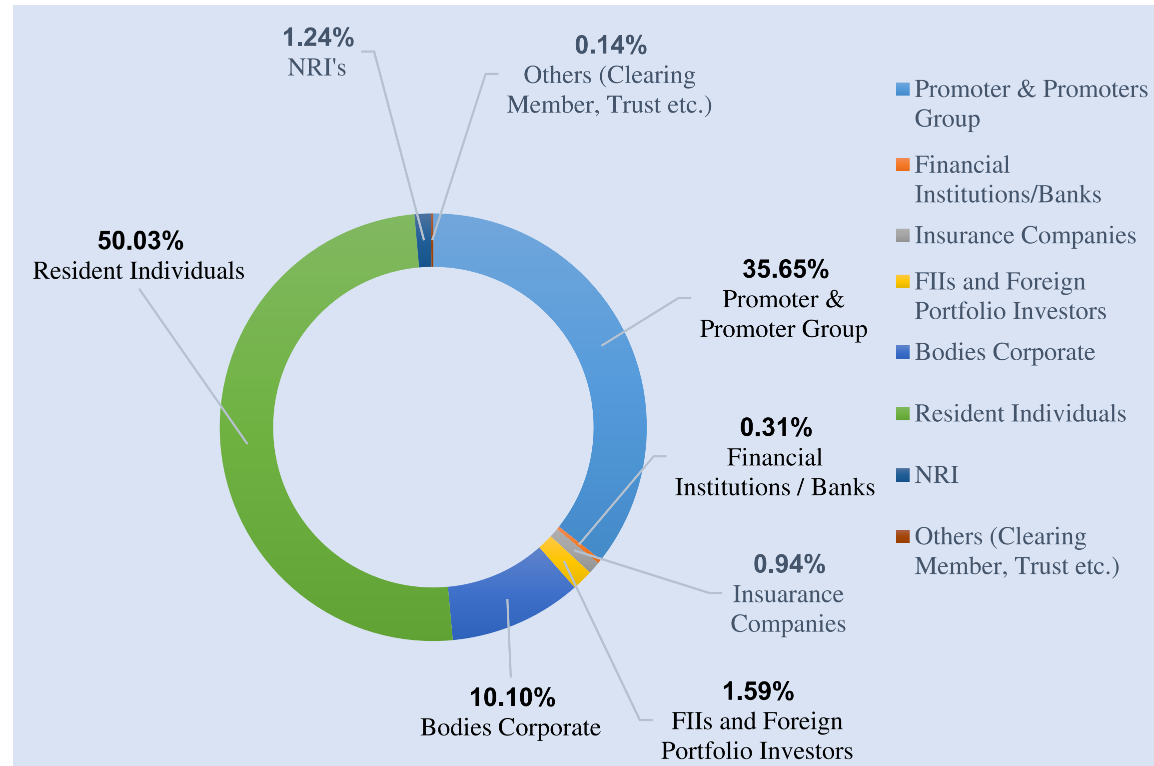
		The dividend will be paid within statutory period of thirty (30) days from the date of approval of the members at AGM.
5.	Dates of Book Closure	The dates of book closure will be from Sunday, 20th September 2026 to Saturday, 26th September 2026 (both days inclusive) for AGM.
6.	Stock Exchanges	**National Stock Exchange of India Limited (NSE)** Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051 NSE Symbol: MOREPENLAB **BSE Limited (BSE)** 25th Floor, Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai - 400001 BSE Scrip Code: 500288 Listing fees for the year 2026-27 have been paid to NSE & BSE. During the year under review, the equity shares of the company are not suspended from trading.
7.	ISIN	INE083A01026
8.	Registrar to an Issue and Share Transfer Agents (RTA)	**MAS Services Limited** T-34, 2nd Floor, Okhla Industrial Area, Phase- II, New Delhi-110 020 Tel. No.:011-26387281/82/83; Fax. No.:011-26387384 e-mail id: investor@masserv.com; website: www.masserv.com
9.	Share Transfer System	The company has appointed Mas Services Limited as the RTA, for smooth and hassle-free share transfer and other related activities. The company is complying with the Listing Regulations and the Companies Act 2013 and its rules made thereunder related to the share transfers.

10. Distribution of shareholding as on 31st March 2026

No. of shares held ranging (From–To)	No. of shareholders	% of Total shareholders	Total Shares	Amount (₹)
1 - 5,000	4,30,447	96.23	13,10,88,645	26,21,77,290
5,001 - 10,000	10,100	2.26	3,63,74,180	7,27,48,360
10,001 - 20,000	3,984	0.89	2,90,42,949	5,80,85,898
20,001 - 30,000	1,074	0.24	1,32,79,417	2,65,58,834
30,001 - 40,000	522	0.12	94,34,901	1,88,69,802
40,001 - 50,000	265	0.06	60,21,739	1,20,43,478
50,001 - 1,00,000	508	0.11	1,80,30,801	3,60,61,602
1,00,001 & above	386	0.09	30,46,81,067	60,93,62,134
Total	4,47,286	100.00	54,79,53,699	1,09,59,07,398

Category of Shareholdings as on 31st March 2026

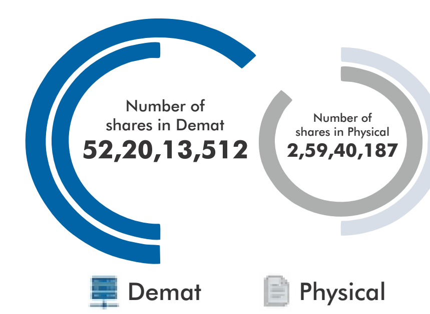
Category	% of Shareholding
Promoter & Promoters Group	35.65
Financial Institutions/Banks	0.31
Insurance Companies	0.94
FIIs and Foreign Portfolio Investors	1.59
Bodies Corporate	10.10
Resident Individuals	50.03
NRI	1.24
Others (Clearing Member, Trust etc.)	0.14
Total	100.00



11. Dematerialization of Shares and Liquidity

The Equity Shares of the company are in compulsory de-mat segment and are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. The ISIN Number of company on both the NSDL and CDSL is INE083A01026.

As on 31st March 2026, there are 52,20,13,512 Equity Shares (i.e., 95.26%) of ₹2/- each are held in electronic/de-mat form.



12.	Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity. There are no outstanding GDRS/ADRS/Warrants, or any Convertible Instruments issued by the company during the financial year 2025-26.	
13.	Commodity price risk or foreign exchange risk and hedging activities.	The company is not engaged in commodity trading, hedging or exchange risk management activities.
14.	Plant Locations	1) Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh - 173 205 2) Plot No. 12 B, Sector - 2, Parwanoo, District Solan, Himachal Pradesh - 173 220 3) Plot No. 12 C, Sector - 2, Parwanoo, District Solan, Himachal Pradesh - 173 220 4) Village Masulkhana, District Solan, Himachal Pradesh - 173 220
15.	Address for correspondence	<u>Registered Office:</u> Morepen Village, Malkumajra, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh - 173 205 Tel No.: 01795 - 266401-03, 244590; Fax No.: 01795 - 244591 Email i.d.: investors@morepen.com Website: www.morepen.com <u>Corporate Office:</u> 2^{nd} Floor, Tower C, DLF Cyber Park, Udyog Vihar III, Sector 20, Gurugram, Haryana 122016, India Tel No.: 0124-4892000 Email i.d.: investors@morepen.com Website: www.morepen.com <u>Investor Correspondence (RTA):</u> MAS Services Ltd. Unit: Morepen Laboratories Limited T-34, 2^{nd} Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020 Tel No.: 011 - 26387281/82/83; Fax No.: 011 - 26387384 Email: investor@masserv.com Website: www.masserv.com
16.	Credit Rating	During the year under review, the Company was assigned with the following Credit Rating by Infomerics Valuation and Rating Limited as given below: **Facility**: Long Term Bank Facilities — **Rating**: IVR A-/Stable (IVR Single A Minus with Stable Outlook) However, the company didn't issue any debt instruments or any fixed deposit or have any scheme or proposal involving mobilization of funds, whether in India or abroad, therefore, have not obtained credit rating(s) from any Credit Rating Agencies, during the year under review for these purposes.

DEPOSITORY SERVICES

Shareholders may write to the company or to the respective depositories for any guidance on depository services:

National Securities Depository Ltd.
4^{th} Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013, Telephone: 022 - 24994200
Fax: 022-24976351

Central Depository Services (India) Ltd.
Marathon Futurex, A-Wing, 25^{th} Floor, NM Joshi Marg, Lower Parel (East),
Mumbai - 400 013, Telephone: 022 - 62343333

8. OTHER DISCLOSURES

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large

During the year under review, the particulars and nature of transactions with the related parties, in summarized form, duly reviewed by Audit Committee, entered during the financial year ended 31^{st} March 2026, in the ordinary course of business of the company and at arm's length basis, are disclosed in compliance with the Indian Accounting Standard on "Related Party Disclosures" in Note No. 31 of Notes to Consolidated Financial Statements in the Annual Report.

The company based on the recommendation of the Audit Committee and subsequent approvals by the Board of Directors on 14^{th} January 2025 sought the approval of shareholders at the Extra- Ordinary General Meeting held on 10^{th} February 2025 for transfer (hiving off) of its medical devices business, being an "undertaking" under Section 180(1)(a) of the Companies Act, 2013, to its subsidiary, Morepen Medipath Limited *(formerly known as Morepen Medtech Limited)*, a material related party transaction, was subsequently extended based on the recommendation of the Audit Committee and the approval of the Board of Directors at its meeting held on 6^{th} August 2025 and the subsequent approval of the shareholders at the Annual General Meeting ("AGM") held on 6^{th} September 2025, until the ensuing AGM to be held during the financial year 2026-2027.

The Board of Directors, at its meeting held on 4^{th} August 2026, approved the proposal to extend the validity of the shareholders' approval until the AGM to be held during the financial year 2027-28, subject to the approval of the shareholders. The proposed extension is in the best interests of the Company. There is no potential conflict with the interests of the Company at large.

The company's policy on Related Party Transactions is available on the website of the company and can be accessed by clicking here.

b) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India (SEBI) and other statutory/regulatory authorities on matters relating to capital markets during the last three years.

With respect to the matter relating to issuance of Global Depository Receipts (GDRs), SEBI vide Order No. WTM/AB/EFD-1/DRA-1/21/2019-20 dated 24^{th} September 2019 had, *inter alia*, restrained the Company from accessing the securities market and from buying, selling or otherwise dealing in securities for a period of one year.

The aforesaid SEBI Order was set aside by the Hon'ble Securities Appellate Tribunal ('SAT') vide its order dated 15^{th} April 2021. Subsequently, SEBI filed an appeal before the Hon'ble Supreme Court of India against the SAT Order. The Company has filed its response thereto. The matter is pending adjudication before the Hon'ble Supreme Court of India since then. There has been no further material development in the matter during the financial year 2025-26.

c) Details of establishment of vigil mechanism, whistle blower policy and affirmation

The company has adopted a Vigil Mechanism/ Whistle Blower Policy for developing a culture where it is safe for all directors/ employees to raise concerns about any unacceptable practice and any event of misconduct. The policy allows unrestricted access to all employees and others to approach the Audit Committee and there has been no instance during the year where any personnel have been denied access to the Audit Committee.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The company has generally complied with all the mandatory requirements as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations, to the extent applicable to the company.

e) Disclosures related to policy for 'material' subsidiary.

In compliance with the Listing Regulations, the Audit Committee of the company periodically reviews the financial statements and the investments made by the unlisted subsidiary companies. The minutes of the board meetings and financial statements of all unlisted subsidiary companies were circulated along with the agenda also placed before the meeting(s) of the Board of Directors of the company. The company does not have any unlisted material subsidiary company, during the year under review.

The policy for determining the 'material' subsidiaries is in accordance with the definition of 'material subsidiary' as contained in Regulation 16(1)(c) of the Listing Regulations is available on the website of the company and can be accessed by clicking here.

f) Disclosures related to the policy on dealing with Related Party Transaction

The company has formulated a policy on the materiality of Related Party Transactions, *inter-alia*, manner of dealing with Related Party Transactions. The said policy is available on the website of the company and can be accessed by clicking here.

g) Disclosures related to the commodity price risks and commodity hedging activities.

The company is not engaged in business related to commodities therefore this clause is not applicable to the company.

h) Disclosures related to utilization of funds raised through preferential allotment or qualified institutional placement.

On 5th August 2024, the Company had raised an amount ₹200,00,00,000 (Rupees Two Hundred Crore Only) by issuing 3,67,84,991 (Three Crore Sixty-Seven Lakh Eighty-Four Thousand Nine Hundred Ninety-One) equity shares of ₹2/- each fully paid up at an issue price of ₹54.37/- per equity share (including premium of ₹52.37 per equity share) to Qualified Institutional Buyers by way of Qualified Institutional Placement (QIP).

The Details of utilization of proceeds from QIP as on 31st March 2026 are as follows:

(Amount in ₹/Lakh)

S. No.	Objects of the issue as per placement document	Amount to be utilised as per placement document	Utilization up-to 31st March 2026	Unutilized balance as on 31st March 2026
1.	Funding capital expenditure of our Company towards expansion and development of our manufacturing facilities at Baddi and Masulkhana	12,279.38	10,923.13	1,356.25[1]
2.	Funding the working capital requirements of our Company	6,435.98	6,628.98[2]	-

Notes:

[1]*As on 31st March 2026, the sum allocated for development of API manufacturing facilities at Baddi and Masulkhana, has been utilised, whereas in respect of development of Medical Devices at Baddi facility, balance ₹1,356.25 Lakhs remains unutilised.*

[2]*On account of reduced issue related expenses by ₹193 Lakh, the usage of funds for working capital requirements have increased from ₹6,435.98 Lakh to ₹6,628.98 Lakh.*

The company has earned interest and capital gains on the temporary deployment of unutilized QIP proceeds in bonds and debt funds. Such income has been partially utilized towards the objects for which the QIP proceeds were raised, and the remaining balance continues to be available for future utilization in accordance with the approved objects of the issue.

The Company has disclosed to the Audit Committee the uses/ application of proceeds/funds raised from QIP as a part of the quarterly review of financial results.

Further, the Company has also appointed Care Ratings Limited as the Monitoring Agency in terms of Regulation 173A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018 ("ICDR Regulations"), as amended from time to time, to monitor the utilization of QIP proceeds. The Company has obtained monitoring reports from the Monitoring Agency on a quarterly basis confirming no deviation or variation in the utilization of QIP proceeds from the objects stated in the placement document.

The Company has submitted the statement(s) and Monitoring Agency Report as required under Regulation 32 of the SEBI Listing Regulations and Regulation 173A of ICDR Regulations, to both the exchanges where the equity shares of the company are listed, *namely*, National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE')

i) Certificate of Practicing Company Secretary for Board of Directors

A certificate has been obtained from Mr. Praveen Dua, Company Secretary, in practice that none of the Directors on the Board has been debarred or disqualified from being appointed/re-appointed or continuing as Director of the company by SEBI/ Ministry of Corporate Affairs or any such statutory authority.

j) Disclosures related to recommendation of Committee(s) of the Board of Directors of the company.

There is not any instance wherein the Board has not accepted any recommendation of any committee of the board, which is mandatorily required during the financial year. The Board has considered all the recommendations of / submissions of the Committee before passing on any resolution.

k) Disclosures related to total fees paid to Statutory Auditors for all their services to the company and its subsidiaries.

Total fees paid to Statutory Auditors for all services provided to the company and its subsidiaries, on a consolidated basis, is ₹51.46 Lakh for the year ending 31st March 2026. Statutory Auditors firm does not have any network firm/ network entity of which the Statutory Auditors are a part.

l) Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as follows:

Particulars	Number
Number of complaints filed during the financial year	1
Number of complaints disposed of during the financial year	1
Number of complaints pending at end of the financial year	Nil

m) Disclosure related to 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.'

During the year under review, there is no loans and advances granted to firms/companies in which directors of the company are interested.

n) Disclosure related to details of material subsidiaries of the company including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

During the year under review, no subsidiaries of the company are identified as material subsidiary, therefore, aforesaid is not applicable on the company.

o) Disclosure related to compliance related to Corporate Governance

There is no non-compliance of any requirement of Corporate Governance as mentioned of Sub paras (2) to (10) of Part C of Schedule V of the Listing Regulations. The company is complying with all compliance related to Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

p) Disclosure related to adoption of discretionary requirements - Part E of Schedule II of Listing Regulations.

Presently, the company has not adopted certain discretionary requirements viz., maintenance of Non-Executive Chairman's office, sending of half-yearly declaration of financial performance including summary of the significant events in the last six months to each household of shareholders and separate post of Chairperson and Managing Director or Chief Executive Officer. However, the requirement *viz.*, moving towards regime of financial statements with unmodified audit opinion, reporting of internal auditors directly to the Audit Committee have generally been complied with.

q) Chairman Managing Director and Chief Financial Officer' declaration.

In accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Chairman Managing Director and Chief Financial Officers have furnished a duly signed Compliance Certificate to the Board of Directors for the year ended 31st March 2026.

A declaration for compliance of Code of Conduct by the Board of Directors and Senior Management Personnel, duly signed by Chairman Managing Director of the company annexed with this report.

The Chairman Managing Director and Chief Financial Officer have also certified to the Board in accordance with Regulation 33(2)(a) of the Listing Regulations pertains to Chairman Managing Director & Chief Financial Officer certificates for the financial year ended 31st March 2026.

r) Compliance Certificate from Practicing Company Secretary for Corporate Governance Compliance

A certificate from Mr. Praveen Dua, Proprietor of PD & Associates, a firm of practicing Company Secretary, regarding compliance of conditions of corporate governance is annexed with Directors Report.

s) Code of Conduct to Regulate, Monitor and Report Trading by Insiders

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, *as amended*, and with a view to regulate trading in securities by the Promoters, Directors, Designated Persons, Employees and other connected persons, the company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Insiders pursuant to compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, ('SEBI PIT Regulations').

The Company also maintains a Structured Digital Database with adequate internal controls and checks in compliance with the SEBI PIT Regulations.

t) **Compliance related to Secretarial Standards as issued by the Institute of Company Secretaries of India**

The applicable Secretarial Standards as issued by the Institute of Company Secretaries of India and approved by the Central Government has been duly complied with and adhered to by the company.

EQUITY SHARES IN THE SUSPENSE ACCOUNT

In terms of Part F of Schedule V of the Listing Regulations, the company hereby reports the following details in respect of Equity Shares lying in de-mat unclaimed suspense account of the company which were issued in de-mat form and physical form:

Particulars	Morepen Laboratories Limited-Unclaimed Securities Suspense Demat Account[1]		Morepen Laboratories Limited-Unclaimed Securities Suspense Escrow Demat Account[2]	
	Number of shareholders	Number of Equity Shares	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1st April 2025[3]	4,794	53,14,051	12	12,461
Number of shareholders who approached the company for transfer of shares from Unclaimed Suspense Account during the year.	3	2,723	1	663
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	3	2,723	1	663
Number of Shareholders whose shares transferred to unclaimed suspense account	-	-	7	4,203
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31st March 2026	4,791	53,11,328	18	16,001

Notes:

[1]Demat Account for unclaimed shares (i.e., for physical shares which had not been claimed by shareholders, being dematerialised, and kept as unclaimed shares in demat account);

[2]Suspense Escrow Demat Account for those shares who were not claimed by the shareholders after expiry of prescribed period of 120 days from the date of issuance of letter of confirmation.

[3]The aggregate number of shareholders as on 1st April 2025 has been revised pursuant to a reconciliation of the Demat Account maintained for unclaimed shares. Accordingly, the shareholder count has been updated from 4,783, as disclosed earlier, to 4,794.

The voting rights in respect of the shares lying in the Unclaimed Suspense Accounts shall remain frozen till the rightful owner of such shares claims the shares.

DISCLOSURES RELATED TO CERTAIN TYPES OF AGREEMENT BINDING THE COMPANY

In terms of clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations, the company has not entered into any agreement binding on the company.

For and on behalf of the Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: Gurugram, Haryana
Date: 4th August 2026

DECLARATION PURSUANT TO PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, I hereby declare that all the Directors and Senior Management Personnel of the company have affirmed compliance with Code of Conduct of Board of Directors and Senior Management, as applicable to them, for the year ended 31st March 2026.

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: Gurugram, Haryana
Date: 4th August 2026

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

(Pursuant to clause 10(I) of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015)

The Members
Morepen Laboratories Limited
Morepen Village, Malkumajra, Nalagarh Road,
Near Baddi, District Solan,
Himachal Pradesh-173205

We, PD and Associates, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Morepen Laboratories Limited having CIN: L24231HP1984PLC006028 and having Registered office at Morepen Village, Malkumajra, Nalagarh Road, Near Baddi, District Solan, Himachal Pradesh-173205 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that as on the financial year ending on 31st March 2026 none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Sushil Suri	00012028	10th April 1992
2.	Mr. Sanjay Suri	00041590	13th August 2019
3.	Mr. Praveen Kumar Dutt	06712574	13th August 2019
4.	Mr. Ranjit Khattar	00726997	12th August 2024
5.	Mr. Sharad Jain	06423452	27th August 2024
6.	Mrs. (Dr.) Savita*	08764773	22nd June 2020

*Re-appointed as an Independent Director with effect from 22nd June 2025.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PD and Associates
Company Secretaries

Praveen Dua
Proprietor
FCS: 3573; CP: 2139
UDIN: F003573H001003671
PR UIN: 11994DE052200

Place: New Delhi
Date: 4th August 2026

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE PURSUANT TO PART E OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Shareholders / Members,
Morepen Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by Morepen Laboratories Limited ('the company') for the financial year ended on 31st March, 2026 as stipulated in Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') of the company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For PD and Associates
Company Secretaries

Praveen Dua
Proprietor
FCS: 3573; CP: 2139
UDIN: F003573H001003605
PR UIN: 11994DE052200

Place: New Delhi
Date: 4th August 2026

CMD AND CFO CERTIFICATE PURSUANT TO PART B OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Board of Directors/Audit Committee
Morepen Laboratories Limited

We, Sushil Suri, Chairman & Managing Director and Ajay Kumar Sharma, Chief Financial Officer, of Morepen Laboratories Limited, hereby certify that:

a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March 2026 and that to the best of our knowledge and belief:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit committee
   i. significant changes in internal control over financial reporting during the year;
   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Morepen Laboratories Limited

Place: Gurugram, Haryana
Date: 26th May 2026

Ajay Kumar Sharma
(Chief Financial Officer)

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Independent Auditor's Report

To the Members of Morepen Laboratories Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Morepen Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of standalone financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	In the Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956 as approved by the Hon'ble High Court of Himachal Pradesh vide its Order dated August 4, 2009, the Company allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their dues. The Hon'ble NCLT vide its judgment dated 12th March 2018 dismissed the Company's petition seeking approval of the Scheme and stated that the order will not affect the allotment of the shares to the FD holders who have traded the shares to the third parties or transferred the allotted shares and to the balance FD holders (eligible FD holders), the company shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB). The appeal preferred by the company against the said order of NCLT, is dismissed by Hon'ble National Company Law Appellate Tribunal (NCLAT). Pursuant to implementation of Hon'ble National Company Law Tribunal (NCLT), Chandigarh Order dated 12.03.2018, out of 3,85,65,810 Equity Shares of ₹2/- each issued at a premium of ₹9.32 per share belonging to eligible FD holders, the company has paid Fixed Deposit dues in respect of 50,62,872 Equity Shares received for cancellation with the company till 31.03.2022. (Refer Note No. 13G to the standalone financial statements)	Principal Audit Procedures We collected and analyzed the Scheme approved by the Company Law Board (CLB) dated 19.08.2003, Judgment of Hon'ble NCLT dated 12th March 2018, order of Hon'ble National Company Law Appellate Tribunal (NCLAT) dated 23.7.2019, Communication with ROC and Stock Exchanges in this regard and other relevant documents in this regard produced for our verification. **The payment to pending eligible FD holders may impact financials of the company in the coming year/years.**

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with applicable Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease the operations, or has no realistic alternative but to do so.

The Company's Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the standalone financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
   e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2026 from being appointed as a director in terms of section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
      b) The Company did not have any long-term contracts including derivative contracts.
      c) During the year, the company was not liable to transfer any amount to the Investor Education and Protection Fund.
      d) The Gratuity liability accrued remains uncovered to the extent of being unfunded.
      e) Based on the audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement. (Refer Note No. 44(e) to the standalone financial statements)
      f) As stated in Note 39 to the accompanying standalone financial statements, the Board of Directors of the company have proposed final dividend for the year ended March 31, 2026 which is subject to the approval of the members at the ensuing Annual General Meeting. The Proposed dividend declared is in accordance with section 123 of the act to extent it applies to declaration of dividend.

         The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
      g) Based on our examination, which includes the test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

         Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.
      h) In respect of MSME vendors, the Company has made appropriate provision for interest payable in the books of account, wherever applicable, based on confirmations received from vendors identifying themselves as MSMEs, in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

For S.P. Babuta & Associates
Chartered Accountants
F.No. 007657N

CA S.P. Babuta
Managing Partner
FCA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. : 086348
UDIN : 26086348UZBYE13191

Date :26th May, 2026
Place :Gurugram, Haryana

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements of Morepen Laboratories Limited for the year ended 31st March, 2026)

(i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The company is maintaining proper records showing full particulars of intangible assets;

(b) All Property, Plant and Equipment have been physically verified by management during the year on a sample basis in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;

(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

(ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and an independent CA at the year end, in our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancy of 10% or more in the aggregate for each class of inventory was noticed;

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(Refer Note No. 41 to standalone financial statements)

(iii) According to the information and explanations given to us and based on the audit procedures performed, the Company has made investments amounting to ₹20,00,000 in its subsidiary, Morepen Medipath Limited, during the year. Further, the Company has not provided any guarantees or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year except as disclosed in Note no.34.

(iv) According to the information and explanations given to us and based on audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the company has complied with the provisions of section 185 and 186 of the Act;

(v) According to the information and explanations given to us, the company is complying Hon'ble National Company Law Tribunal (NCLT) order dated 12.03.2018 in the matter of fixed deposit holders. (Refer Note 13(G) to standalone financial statements);

(vi) According to the information and explanations given to us, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act and as explained to us such accounts and records have been so made and maintained by the company;

(vii) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities. **However, advance income tax dues together with applicable interest were outstanding as at 31 March 2026 for a period exceeding six months from the date, they became payable. The aforesaid dues were subsequently paid before the signing of the financial statements.**

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Year to which it pertains	Amount (lakh)*
Goods and Services Tax Acts	Duty, Penalty & Interest	High Court	April 2020 to Feb 2024	31736.62
Goods and Services Tax Acts	Duty, Penalty & Interest	GST Appellate Tribunal GSTAT	2018	2.58
Goods and Services Tax Acts	Duty, Penalty & Interest	GST Appellate Tribunal GSTAT	Nov 2018 to May 2019	23.81
Goods and Services Tax Acts	Duty, Penalty & Interest	GST Appellate Tribunal GSTAT	2019	37.37
Goods and Services Tax Acts	Duty, Penalty & Interest	GST Appellate Tribunal GSTAT	Jan 2020– March 2020	10.20

*Amount includes interest till the date of demand and are net of advances paid/adjusted under protest.

(viii) According to the records and information and explanation given to us, no transaction/amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;

(ix) (a) According to the information and explanations given to us by the management, the company has not made any default in the repayment of loans or other borrowings or interest to Banks/FIs.

(b) According to the information and explanations given to us by the management, the company has not been declared willful defaulter by any bank or financial institution or other lender, during the year;

(c) According to the records and information and explanation given to us, term/car loans were applied for the purpose for which the loans were obtained;

(d) According to the records and information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes;

(e) According to the records and information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) According to the records and information and explanation given to us, the company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

(x) (a) During the year, the company has not raised any money by way of initial public offer or further public offer (including debt instruments);

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or on the company, noticed or reported during the year, nor have we been informed of any such case by the Management;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) According to the records and information and explanation given to us, there is no whistle-blower complaint received during the year by the company;

(xii) The company is not a Nidhi Company and hence this clause is not applicable to the company;

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;

(xiv) (a) The company has an internal audit system commensurate with the size and nature of its business;

(b) The report of the internal Auditors for the period under audit were considered by us;

(xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non- cash transaction with directors or person connected with them during the year;

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year;

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;

(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (CIC) as part of the Group. Accordingly, the reporting requirements under clause 3(xvi)(d) of the Order are not applicable.

(xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year;

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

(xx) (a) According to the information and explanations given to us and based on our examination of the records of the company, there is no unspent amount required to be transferred to a Fund specified in Schedule VII to the Companies Act in respect of other than ongoing projects as per sub-section (5) of section 135 of the said Act;

(b) According to the information and explanations given to us and based on our examination of the records of the company, there is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act which is required to be transferred to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act;

For S.P. Babuta & Associates
Chartered Accountants
F.No. 007657N

CA S.P. Babuta
Managing Partner
FCA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. : 086348
UDIN : 26086348UZBYE13191

Date :26th May, 2026
Place :Gurugram, Haryana

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements of Morepen Laboratories for the year ended 31st March 2026)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Morepen Laboratories Limited** ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial control. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For S.P. Babuta & Associates
Chartered Accountants
F.No. 007657N

CA S.P. Babuta
Managing Partner
FCA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. : 086348
UDIN : 26086348UZBYE13191

Date :26th May, 2026
Place :Gurugram, Haryana

Financial Statements

Balance Sheet

As at 31st March, 2026

(₹ in Lakhs)

	Note No.	As at 31.03.2026	As at 31.03.2025
A ASSETS			
1. NON CURRENT ASSETS			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	2	30752.32	31589.44
Capital Work in Progress	2	821.66	2834.05
Right of Use of Assets	2	1083.01	1641.32
Other Intangible Assets	2	8428.04	3356.62
Financial Assets :			
Investments	3	10413.73	12716.55
Loans	4	8.30	14.32
Other Financial Assets	5	663.45	612.34
Other Non Current Assets	6	14748.20	8677.42
		66918.71	61442.05
2. CURRENT ASSETS			
Inventories	7	15425.78	28638.93
Financial Assets :			
Investments	3	590.59	7780.68
Trade Receivables	8	33318.85	29374.65
Cash and Cash Equivalents	9	1056.63	2442.76
Bank Balances other than Cash and Cash Equivalents	10	3639.55	2190.53
Loans	4	33.97	47.96
Other Financial Assets	11	1581.31	1111.94
Other Current Assets	12	36232.05	39090.95
Total Current Assets		91878.73	110678.40
3. Assets included in disposal group held for sale	43	31968.45	–
Total		190765.89	172120.46
B EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share Capital	13	10958.41	10958.41
Other Equity		113317.44	107191.81
		124275.85	118150.22
2. NON CURRENT LIABILITIES			
Financial Liabilities :			
Borrowings	14	13285.90	2575.81
Lease Liabilities	15	332.87	858.81
Other Financial Liabilities	16	42.90	42.90
Deferred Tax Liabilities	38	1647.45	697.66
Provisions	17	3440.79	3639.50
		18749.91	7814.68
3. CURRENT LIABILITIES			
Financial Liabilities :			
Borrowings	14	6073.04	5320.15
Lease Liabilities	15	765.01	796.62
Trade Payables	18	23683.53	33841.40
Other Financial liabilities	19	2508.10	2517.13
Other Current Liabilities	20	796.16	1920.51
Provisions	17	803.19	1759.75
Total Current Liabilities		34629.03	46155.56
4. Liabilities included in disposal group held for sale	43	13111.10	–
Total		190765.89	172120.46
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-45		

As per our separate report of even date

For & on behalf of the Board of Directors of Morepen Laboratories Limited

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(CA S.P. Babuta)
Partner
Membership No. 086348
UDIN No.: 26086348UZBYE13191

Place : Gurugram, Haryana
Date : 26th May, 2026

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Kumar Sharma)
Chief Financial Officer

(Praveen Kumar Dutt)
Director
DIN : 06712574

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

Statement of Profit and Loss

For the Year Ended 31st March, 2026

(₹ in Lakhs)

	Note No.	Year Ended 31.03.2026	Year Ended 31.03.2025
REVENUE			
Revenue from Operations (Net)	22	168119.50	155453.53
Other Income	23	2149.51	1571.96
Total Income (I)		170269.01	157025.49
EXPENSES			
Cost of Materials Consumed	24	104310.57	99918.31
Purchases of Stock-in-Trade	25	1502.34	2081.11
Changes in Inventories of Finished Goods,Work-in-Progress and Stock-in-Trade	26	323.19	(4436.05)
Employee Benefits Expense	27	20627.70	17722.43
Finance Costs	28	1609.71	710.29
Depreciation and Amortization Expense	2	2930.81	2444.21
Other Expenses	29	30147.86	24826.63
Total Expenses (II)		161452.18	143266.93
Profit before exceptional item and tax		8816.83	13758.56
Exceptional Items - Income/(Expense)		109.59	–
Profit before Tax		8926.42	13758.56
Tax Expense			
Current Tax		1484.62	3128.33
Earlier periods Tax		(13.15)	–
Deferred Tax	38	849.20	472.71
Total Tax Expense		2320.67	3601.04
Net Profit for the Year (III)		6605.75	10157.52
Other Comprehensive Income (OCI)			
Items that will not be reclassified to Profit & Loss -			
Fair value changes on Equity Instruments through OCI		709.83	–
Re-measurement gain/(loss) on Defined Benefit Plans		(3.57)	23.03
		706.26	23.03
Less : Income tax relating to items that will not be reclassified		(100.59)	(5.80)
Other Comprehensive Income for the Year (Net of Tax) (IV)		605.67	17.23
Total Comprehensive Income for the Year		7211.42	10174.75
Earning per equity share (Face Value of ₹2/- each)	35	1.21	1.90
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-45		

As per our separate report of even date

For & on behalf of the Board of Directors of Morepen Laboratories Limited

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(CA S.P. Babuta)
Partner
Membership No. 086348
UDIN No.: 26086348UZBYE13191

Place : Gurugram, Haryana
Date : 26th May, 2026

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Kumar Sharma)
Chief Financial Officer

(Praveen Kumar Dutt)
Director
DIN : 06712574

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March, 2026

A. EQUITY SHARE CAPITAL

As at 31st March, 2026 (₹ in Lakhs)

Balance as at 1st April, 2025	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Change in equity share capital during the year	Balance as at 31st March, 2026
10958.41	–	10958.41	–	10958.41

As at 31st March, 2025

Balance as at 1st April, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Change in equity share capital during the year	Balance as at 31st March, 2025
10222.71	–	10222.71	735.70	10958.41

B. OTHER EQUITY

As at 31st March, 2026

(₹ in Lakhs)

	RESERVES & SURPLUS				Equity Instruments through other Comprehensive income	Other items of other compre-hensive income	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings			
Balance as at 1st April, 2025	2145.40	7623.33	55316.20	42977.96	–	(871.08)	107191.81
Dividend paid during the year*	–	–	–	(1085.79)	–	–	(1085.79)
Profit for the year	–	–	–	6605.75	–	–	6605.75
Remeasurement of the net defined benefit liability / asset (Net)	–	–	–	–	–	(2.65)	(2.65)
Equity instruments through other comprehensive income (Net)	–	–	–	–	608.32	–	608.32
Balance as at 31st March, 2026	2145.40	7623.33	55316.20	48497.92	608.32	(873.73)	113317.44

OTHER EQUITY

As at 31st March, 2025 (₹ in Lakhs)

	RESERVES & SURPLUS				Other items of other comprehensive income	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings		
Balance as at 1st April, 2024	2145.40	7623.33	36978.86	32820.44	(888.31)	78679.72
Securities Premium received during the year*	–	–	19264.30	–	–	19,264.30
Share issue expenses*	–	–	(926.96)	–	–	(926.96)
Profit for the year	–	–	–	10157.52	–	10157.52
Other comprehensive income/(loss) for the year	–	–	–	–	17.23	17.23
Balance as at 31st March, 2025	2145.40	7623.33	55316.20	42977.96	(871.08)	107191.81

* During the year, the company paid a final dividend of ₹0.20 per equity share aggregating to ₹1085.79 Lakhs, in respect of the financial year ended March 31, 2025, as approved by the shareholders at the Annual General Meeting. The dividend has been adjusted against retained earnings.

SIGNIFICANT ACCOUNTING POLICIES 1

NOTES ON FINANCIAL STATEMENTS 2-45

As per our separate report of even date

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(CA S.P. Babuta)
Partner
Membership No. 086348
UDIN No.: 26086348UZBYE13191

Place : Gurugram, Haryana
Date : 26th May, 2026

For & on behalf of the Board of Directors of Morepen Laboratories Limited

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Praveen Kumar Dutt)
Director
DIN : 06712574

(Ajay Kumar Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

Cash Flow Statement

For the Year Ended 31st March, 2026

(₹ in Lakhs)

	Note No.	Year Ended 31.03.2026	Year Ended 31.03.2025
A. CASH FLOWS FROM OPERATING ACTIVITIES :			
Profit before Tax from continuing operations		8926.42	13758.56
Adjustments for :			
Depreciation & Amortisation	2	2930.81	2444.21
Loss on sale of property, plant & Equipments		0.90	15.17
Profit on sale of investments		(109.59)	–
Provision for Employee benefit & fair value changes on Equity Instruments (OCI)		706.26	23.03
Finance Cost	28	1609.71	710.29
Operating Profit before changes in Current Assets and Liabilities		14064.51	16951.26
Changes in Current Assets and Liabilities -			
Trade Receivables	8	(5032.00)	2314.14
Loans, Bank balance other than cash & Cash equivalent and other Current Assets	4,10,11,12	(7592.21)	(13385.04)
Inventories	7	2915.95	(6623.82)
Current Liabilities	17,18,19,20	111.99	7258.13
Cash generated from Operations		4468.24	6514.67
Tax Expense (Net)		(2421.26)	(3606.84)
NET CASHFLOW - OPERATING ACTIVITIES		2046.98	2907.83
B. CASH FLOWS - INVESTING ACTIVITIES:			
Purchase of Property, Plant & Equipments & Capital work in Progress	2	(8376.24)	(12395.36)
Purchase/Addition of Intangibles	2	(5159.22)	(5391.79)
Proceeds from Sale of Property, Plant & Equipments	2	48.16	5.06
Loans to Employees	4	6.02	(10.73)
Sale/ (Purchase) of Investments (Net)	3	4841.17	(7879.40)
Proceeds from sale of equity shares in subsidiary		3064.59	–
Investment in Other Non-Current Assets and Loans	4,5,6	(6326.67)	(2369.98)
NET CASHFLOW - INVESTING ACTIVITIES		(11902.19)	(28042.20)
C. CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance Cost	28	(1609.71)	(710.29)
Payment of dividend		(1085.79)	–
Proceeds from Borrowings - Non-Current (inculding current maturities)	14	13178.18	2998.37
Repayments of Borrowings - Non-Current (inculding current maturities)	14	(696.62)	(176.13)
Borrowings - Current (Net)	14	(908.46)	2254.48
Change in Lease Liabilities	15	(382.49)	1655.42
Proceeds from issue of shares under QIP (Net of Share Issue Expenses)		–	19073.04
Change in Other Non- Current Liabilities & Provisions (Net)	16,17,38	1217.20	951.84
NET CASHFLOW - FINANCING ACTIVITIES		9712.31	26046.73

(₹ in Lakhs)

	Note No.	Year Ended 31.03.2026	Year Ended 31.03.2025
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(142.90)	912.36
Cash and Cash Equivalents as at Beginning of the Year		2442.76	1530.40
Cash and Cash Equivalents as at End of the Year		2299.86	2442.76
Bank Balances other than Cash and Cash Equivalents		3640.55	2190.53
Components of cash and cash equivalents as on end of the period			
Balance with Banks		2277.67	2433.17
Cash in hand		22.19	9.59
		2299.86	2442.76
Cash and Cash equivalents forming part of disposal group		1243.23	–
		1056.63	2442.76

Notes a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows" specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as Amended).

b) Figures have been regrouped/ reclassified wherever considered necessary.

SIGNIFICANT ACCOUNTING POLICIES	1
NOTES ON FINANCIAL STATEMENTS	2-45

As per our separate report of even date

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(CA S.P. Babuta)
Partner
Membership No. 086348

UDIN No.: 26086348UZBYE13191

Place : Gurugram, Haryana
Date : 26th May, 2026

For & on behalf of the Board of Directors of Morepen Laboratories Limited

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Praveen Kumar Dutt)
Director
DIN : 06712574

(Ajay Kumar Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Overview

Morepen Laboratories Limited ("the Company") is a Public limited company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The addresses of its registered office and principal place of business and CIN are disclosed in the introduction to the annual report. The Company is in the business of manufacturing, producing, developing and marketing a wide range of Active Pharmaceutical Ingredients (APIs), branded and generic formulations and also the Home Health products. The Company has its manufacturing locations situated in the state of Himachal Pradesh with trading and other incidental and related activities extending to both domestic and global markets.

1.2 Basis for preparation of financial statements

The standalone financial statements of the Company as at and for the year ended 31st March, 2026 have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time, and other relevant provisions of the Act and accounting principles generally accepted in India. These standalone financial statements have been prepared by the Company on a going concern basis and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

Consistency of accounting policy

Accounting policies have been consistently applied to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the financial year ended March 31, 2026 are authorized for issue by the Board of Directors of the Company at their meeting held on May 26, 2026.

Functional currency and rounding of amounts

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest Lakhs (Rs.00,000) upto two decimals, except when otherwise indicated.

Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

Operating Cycle

Based on the nature of products/activities of the company and normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

1.3 Use of Estimates and Judgements

The presentation of financial statements in conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, disclosures of contingent assets and liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provisions for income taxes, useful life of depreciable assets and provisions for impairments & others.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

1.4. Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

a) Free hold land is carried at cost, it has an unlimited useful life and therefore is not depreciated. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected significant costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

b) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

c) Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

d) The cost of PPE and related accumulated depreciation are de-recognised from the financial statements upon sale or disposal or when no future economic benefits are expected from its use and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell. Any control software for a machine is shown under plant & machinery.

1.5 Intangible Assets

<u>Internally generated Intangible Assets - Research and Development expenditure</u>

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset and/or benefits are expected over more than one period, otherwise such expenditure is charged to the Statement of Profit and Loss.

An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- Development costs can be measured reliably;
- The product or process is technically and commercially feasible;
- Future economic benefits are probable; and
- The Company intends to and has sufficient resources/ability to complete development and to use or sell the asset.

Expenditure providing benefits for more than one period is amortised proportionately over the periods during which benefits are expected to occur.

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

1.6 Non-current assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and the assets of disposal group classified as held for sale are presented separately from the other assets in the Standalone balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from the other liabilities in the Standalone balance sheet. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated.

1.7 Depreciation & Amortisation

Depreciation is the systematic allocation of the depreciable amount of PPE (other than freehold land and Capital work-in-progress) on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

a) Depreciation on fixed assets is provided on straight-line method at the rates prescribed by the schedule II of the Companies Act, 2013 and in the manner as prescribed by it except assets costing less than ₹5000/- on which depreciation is charged in full during the year.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives are as follows:

Property, Plant and equipment	Useful Life (Years)
Buildings – Factory and Administrative Buildings	30-60
Plant and equipment	20
Furniture, fixtures and office equipment	5-10
Vehicles	8
Computers	3

b) Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of an identifiable intangible asset is based on several factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

1.8 Valuation of inventories

Stocks of raw materials and other ingredients have been valued on First in First Out (FIFO) basis, at cost or net realizable value whichever is less, finished goods and stock-in-trade have been valued at lower of cost and net realizable value, work-in-progress is valued at raw material cost up to the stage of completion, as certified by the management on technical basis. Goods in transit are carried at cost.

1.9 Foreign Currency Transactions / Translations

i) Transactions denominated in foreign currency are recorded to the functional currency of the Company at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.

ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

iii) Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

iv) Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

v) In case of long term monetary items outstanding as at the end of year, exchange differences arising on settlement / restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

2.0 Dividends

Dividends are recognized as liability in the financial statements in the period in which they are appropriately authorized and no longer at the discretion of the company. For interim dividends, this is typically the date of approval by the Board of Directors. For final dividends, liability is recognized upon approval by the shareholders at the Annual General Meeting.

Proposed dividends that are declared after the reporting date are not recognized as a liability at the end of the reporting period but are disclosed in the notes to the financial statements in accordance with Ind AS-10 'Events occurring after reporting period'

Dividends are distributed from retained earnings and are subject to the availability of sufficient distributable profits and liquidity. All dividend payments are made in compliance with applicable legal and regulatory requirements.

2.1 Right-of-use (RoU) of Asset and Lease liabilities

The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ('ROU') and a corresponding lease liability. Right-of-use of assets are initially measured at cost, which comprises the amount of initial lease liability, any lease payments made at or before the commencement date, less any lease incentive received, any initial direct costs incurred and an estimate of the costs to dismantle or restore the asset. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. However, if the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset.

Lease liabilities are initially measured at the present value of future lease payments over the lease term, discounted using the interest rate implicit in the lease, or if it cannot be readily determined, the Company's incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using effective interest rate and are remeasured when there is a change in future lease payments arising from change in index or rate, a reassessment of options, or a modification of the lease.

The Company has elected not to recognize RoU assets and lease liabilities for leases with a lease term of 12 months or less (short-term leases) and for leases of low-value assets. Lease payment for such leases is recognized as an expense on a straight-line basis over the lease term.

2.2 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

i) Initial Recognition and measurement

On initial recognition, all the financial assets (excluding trade receivables) and liabilities are recognized initially at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price

ii) Subsequent measurement

a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

d) Investments in subsidiaries, joint ventures and associates

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

e) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

2.3 Impairment of Assets

i) Financial Assets

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognized as an impairment gain or loss in statement of profit or loss.

ii) Non-Financial Assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.4 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured

a) Revenue is recognised at the value of consideration received or receivable. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. The amount disclosed as revenue is net of returns, trade discounts, Goods and Services Tax (GST).

Provisions for rebates, discount and return are estimated and provided for in the year of sales and recorded as reduction of revenue.

b) Dividend income is accounted for when the right to receive the income is established.

2.5 Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.6 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Pursuant to Taxation Laws (Amendment) Ordinance 2019, the company has opted to pay Income Tax as provided under Section 115BAA of the Income Tax Act, 1961.

2.7 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.8 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.9 Commitments

Commitments represent contractual obligations that are not recognised as liabilities as at the reporting date but are disclosed in the notes to accounts.

Capital commitments include the amount of contracts remaining to be executed on capital account and not provided for.

Other commitments, including commitments towards investments, are disclosed in the notes to accounts and are recognised when the underlying obligation is crystallised or called upon, in accordance with the terms of the respective agreements.

3.0 Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as at beginning of the period, unless they have been issued at a later date.

3.1 Employee Retirement benefits

i) Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

ii) Post – employment benefits

Defined contribution plans –

Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans –

Gratuity

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity payment plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation while in employment or on termination of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. Re-measurements comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods.

iii) Long – term employee benefits

Leave Encashment

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

3.2 Segment Reporting

The company operates in one reportable business segment i.e. "Pharmaceuticals".

3.3 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

2. I) PROPERTY, PLANT AND EQUIPMENT
TANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTIZATION						CARRYING VALUE			
	As at 01.04.2025	Additions	(Disposals)/ Adjustments	As at 31.03.2026 (Inclusive of Assets Held for Sale)	Assets included to disposal group as held for sale	As at 31.03.2026 (Net of Assets Held for Sale)	As at 01.04.2025	For the year	Deductions/ Adjustments	As at 31.03.2026 (Inclusive of Assets Held for Sale)	Assets included to disposal group as held for sale	As at 31.03.2026 (Net of Assets Held for Sale)	As at 31.03.2026 (Assets Held for sale	As at 31.03.2026 (Net of Assets Held for Sale)	As at 31.03.2026	As at 31.03.2025
Land	2326.63	–	–	2326.63	–	2326.63	–	–	–	–	–	–	–	2326.63	2326.63	2326.63
Buildings	11226.38	1771.25	–	12997.63	1591.88	11405.75	4514.16	275.76	–	4789.92	110.01	4679.91	1481.87	6725.84	8207.71	6712.22
Plant & Machinery	40871.93	6452.12	3579.17*	43744.88	6280.54	37464.34	20753.73	1354.24	3535.75	18572.22	800.36	17771.86	5480.18	19692.48	25172.66	20118.20
Furnitures & Fixtures	1444.60	48.12	–*	1492.72	109.35	1383.37	621.47	106.50	–	727.97	43.31	684.66	66.04	698.71	764.75	823.13
Vehicles	2161.28	231.64	19.81	2373.11	431.95	1941.16	747.87	230.97	18.81	960.03	149.95	810.08	282.00	1131.08	1413.08	1413.41
Office Equipments	791.43	111.42	5.15*	897.70	80.65	817.05	595.58	90.91	0.51	685.98	46.51	639.47	34.14	177.58	211.72	195.85
Total	58822.25	8614.55	3604.13	63832.67	8494.37	55338.30	27232.81	2058.38	3555.07	25736.12	1150.14	24585.98	7344.23	30752.32	38096.55	31589.44
Previous Year	47061.73	12006.49	(245.97)	58822.25	–	–	25817.60	1645.74	(230.53)	27232.81	–	–	–	–	31589.44	
II) CAPITAL WORK IN PROGRESS																
Buildings	1695.91	246.34	560.29	1381.96	1295.52	86.44	–	–	–	–	–	–	1295.52	86.44	1381.96	1695.91
Plant & Machinery	970.31	47.94	265.72	752.53	37.96	714.57	–	–	–	–	–	–	37.96	714.57	752.53	970.31
Furniture & Fixture	–	6.59	–	6.59	–	6.59	–	–	–	–	–	–	–	6.59	6.59	–
Research & Development	52.12	–	52.12	-	–	-	–	–	–	–	–	–	–	–	–	52.12
Electrical Installation	115.71	–	101.65	14.06	–	14.06	–	–	–	–	–	–	–	14.06	14.06	115.71
Total	2834.05	300.87	979.78	2155.14	1333.48	821.66	–	–	–	–	–	–	1333.48	821.66	2155.14	2834.05
Previous Year	2445.18	2781.93	(2393.06)	2834.05	–	–	–	–	–	–	–	–	–	–	2834.05	
III) RIGHT OF USE OF ASSETS																
Right to use of Asset	2408.54	440.60	–	2849.14	431.43	2417.71	767.22	837.14	–	1604.36	269.66	1334.70	161.77	1083.01	1244.78	1641.32
Total	2408.54	440.60	–	2849.14	431.43	2417.71	767.22	837.14	–	1604.36	269.66	1334.70	161.77	1083.01	1244.78	1641.32
Previous Year	–	2408.54	–	2408.54	–	–	–	767.22	–	767.22	–	–	–	–	1641.32	–
IV) INTANGIBLE ASSETS																
Computer Software	335.45	33.68	–	369.13	–	369.13	288.00	18.53	–	306.53	–	306.53	–	62.60	62.60	47.45
Dr. Morepen Sync App	32.02	37.28	–	69.30	69.30	-	0.03	16.75	–	16.78	16.78	–	52.52	-	52.52	31.99
Customer Acquisition Cost	1925.64	2384.30	–	4309.94	–	4309.94	–	–	–	–	–	–	–	4309.94	4309.94	1925.64
Product Development Cost	1351.71	2703.79	–	4055.50	–	4055.50	0.17	–	0.17	–	–	–	–	4055.50	4055.50	1351.54
Total	3644.82	5159.05	–	8803.87	69.30	8734.57	288.20	35.28	0.17	323.31	16.78	306.53	52.52	8428.04	8480.56	3356.62
Previous Year	674.69	2983.25	(13.12)	3644.82	–	–	265.28	31.25	(8.33)	288.20	–	–	–	–	3356.62	
GRAND TOTAL																
Current year	67709.66	14515.07	4583.91	77640.82	10328.58	67312.24	28288.23	2930.81	3555.25	27663.79	1436.58	26227.21	8892.00	41085.03	49977.03	39421.43
Previous Year	50181.60	20180.21	(2652.16)	67709.66	–	–	26082.88	2444.21	(238.86)	28288.23	–	–	–	–	39421.43	

Notes : -

1) Customer acquisition cost represents amounts invested for expansion of point on care business of the company.
2) Product Development cost represents amount spent on development on formulation products.
3) *Old machinery and other fixed assets no longer in use have been, written off, derecognised during the year.

(₹ in Lakhs)

	Current		Non Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
3. INVESTMENTS (NON-CURRENT)				
A. Investment in Equity Instruments (Unquoted)				
I) Subsidiary Companies (Unquoted, at cost)				
i) Dr. Morepen Limited* 4,06,79,500 Equity shares of ₹10/- each fully paid up	–	–	–	11747.25
ii) Morepen Bio Inc. USA (Previously Morepen Inc.) 94,000 fully paid common stock of USD 0.001 each	–	–	22.23	22.23
iii) Morepen Devices Limited 1,00,000 Equity shares of ₹10/- each fully paid up	–	–	10.00	10.00
iv) Morepen Rx Limited 70,82,356 Equity Share of ₹10/- each fully paid up	–	–	708.24	708.24
v) Morepen Medipath Limited (formerly Morepen Medtech Ltd.) 10,80,000 Equity Share of ₹10/- each fully paid up	–	–	108.00	88.00
vi) Morepen Labs-FZCO, Dubai ^ 5,000 Equity Share of AED 10/- each fully subscribed	–	–	13.18	–
Total investments at Cost	–	–	861.65	12575.72
II) Other Companies (Unquoted) Investments measured at fair value through Other Comprehensive Income (FVOCI)				
Dr. Morepen Limited* 2,53,79,500 (Previous Year 4,06,79,500) Equity shares of ₹10/- each fully paid up	–	–	9502.08	–
Total investments at FVOCI	–	–	9502.08	–
	–	–	10363.73	12575.72
B. Investments measured at Fair Value through Profit or Loss (FVTPL)				
I) In Mutual Funds — Quoted				
(a) Equity-oriented schemes – at FMV Aggregate Fair Market Value	244.52	1555.54	–	140.83
(b) Debt-oriented / Liquid / Money Market schemes — at FMV Aggregate Fair Market Value	2042.80	6225.14	–	–
Sub-total — Quoted Mutual Funds at FVTPL	2287.32	7780.68	–	140.83
II) In Alternative Investment Funds – Unquoted				
(a) 50 Units (PY - Nil) Sundaram Alternates – Real Estate Performing Credit Income Generator Fund (Category II AIF)#	–	–	50.00	–
Sub-total — Unquoted AIF at FVTPL	–	–	50.00	–
Total Investments at FVTPL (B.I + B.II)	2287.32	7780.68	50.00	140.83
Less: Re-classified to 'Assets Held for Sale' — Devices Disposal Group at FMV (Refer Note No. 43)	1696.73	–	–	–
Total Investments — Net of Held for Sale Reclassification	590.59	7780.68	50.00	140.83
	2287.32	7780.68	10413.73	12716.55
Aggregate amount of quoted investments	2174.37	7780.68	–	140.83
Aggregate market value of quoted investments	2287.32	7986.86	–	150.28
Aggregate carrying amount of unquoted investments	–	–	10413.73	12575.72
Aggregate amount of impairment in value of investments	–	–	–	–
Cumulative unrealised fair value gain recognised in P&L	112.95	–	–	–
Investments carried at cost	–	7780.68	861.65	12716.55
Investments carried at fair value through other comprehensive income	–	–	9502.08	–
Investments carried at fair value through profit or loss	2287.32	–	50.00	–
Previous Year: carried at Cost				

* During the year, consequent to issuance of fresh shares by Dr. Morepen Limited ("the investee company") and partial divestment of the company's holding in the investee company, the company's ownership in the investee company has come down to 19.94%, against 80.00% held in previous financial year.

Dr. Morepen Limited ceased to be a subsidiary of the company with effect from July 31, 2025 and there is no policy participation and no material transactions. The retained investment has been classified as a financial asset and is measured at fair value in accordance with Ind AS 109 – Financial Instruments measured at FVOCI irrevocably at initial recognition being strategic, long-term, not held for trading.

The Company has recognised a gain on dilution of stake amounting to ₹109.59 Lakhs in the Statement of Profit and Loss, which has been presented as an exceptional item.

^ During the year, the Company incorporated MOREPEN LABS FZCO, Dubai, UAE, as a wholly-owned subsidiary, with an authorised and issued share capital of 5,000 shares of AED 10 each, aggregating AED 50,000. The shares have been fully subscribed by the Company; however, the share capital remained unpaid as at 31 March 2026. Accordingly, an investment of ₹13.18 Lakhs has been recognised at cost in accordance with Ind AS 27 'Separate Financial Statements', with a corresponding liability of an equivalent amount disclosed under 'Other Financial Liabilities — Payable towards unpaid share capital subscription'. The share capital amount remaining unpaid as at March 31, 2026, has been duly paid up by the company before balance sheet signing date.

The Company has made a capital commitment to the above Alternative Investment Fund, against which a portion has been drawn down as at the reporting date. The uncalled commitment, representing the balance amount to be contributed by the Company, is disclosed under "Commitments".

(₹ in Lakhs)

	Current		Non Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
4. LOANS				
Unsecured				
(Considred good)				
Loans to Employees	45.51	47.96	8.30	14.32
	45.51	47.96	8.30	14.32
Less : Related to Business Restructuring (Refer Note No. 43)	11.54	–	–	–
	33.97	47.96	8.30	14.32

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
5. OTHER FINANCIAL ASSETS - NON CURRENT		
Security Deposits	713.76	612.34
Less : Related to Business Restructuring (Refer Note No. 43)	50.31	–
	663.45	612.34
6. OTHER NON CURRENT ASSETS		
Unsecured		
Capital Advances (Considered good)	14875.23	8654.68
Leasehold Land Prepayments	22.76	19.45
Prepaid (Deferred)Expenses for Employee Benefit	4.68	3.29
	14902.67	8677.42
Less : Related to Business Restructuring (Refer Note No. 43)	154.47	–
	14748.20	8677.42
7. INVENTORIES		
Raw Materials	14096.45	15576.70
Work-in-progress	4443.96	5861.95
Finished goods	6552.41	5387.82
Stock -in-trade	131.28	139.99
Goods in transit	1.20	1113.71
Stores and spares	497.68	558.76
	25722.98	28638.93
Less : Related to Business Restructuring (Refer Note No. 43)	10297.20	–
	15425.78	28638.93

The inventory of stocks, stores and spares has been taken, valued and certified by the management.

Breakup of Inventory

i) Raw materials -		
API & Intermediates	5590.21	6306.38
Home Health	6836.57	8048.61
Formulations	1669.67	1221.71
Total Raw Materials	14096.45	15576.70

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
ii) Work in Progress -		
API & Intermediates	4269.66	5649.38
Home Health	–	63.03
Formulations	174.30	149.54
Total Work -in -progress	4443.96	5861.95
iii) Finished goods -		
API & Intermediates	2954.13	2854.35
Home Health	3337.16	2325.38
Formulations	261.12	208.09
Finished Goods Inventory	6552.41	5387.82
iv) Stock in trade -		
Home Health	123.47	113.57
Formulations	7.81	26.42
Stock in trade Inventory	131.28	139.99
8. TRADE RECEIVABLES		
Unsecured -		
Considered good	34340.53	29309.63
Considered Doubtful	141.64	201.69
	34482.17	29511.32
Less : Allowance for doubtful debts	75.52	136.67
	34406.65	29374.65
Less : Related to Business Restructuring (Refer Note No. 43)	1087.80	–
	33318.85	29374.65

Ageing of Trade Receivables (2025-26)	< than 6 months	6 months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	33373.27	658.62	233.27	72.15	3.22	34340.53
- Having significant increase in credit risk	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–
Disputed						
- Considered good	–	–	–	–	–	–
- Having significant increase in credit risk	–	–	39.70	22.92	79.02	141.64
- Credit impaired	–	–	–	–	–	–
Total Receivables	33373.27	658.62	272.97	95.07	82.24	34482.17
Ageing of Trade Receivables (Related to Business Restructuring)	1082.95	4.77	0.10	–	10.32	1098.14

Ageing of Trade Receivables (2024-25)	< 6 months	6months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	28860.19	357.00	82.83	2.12	7.49	29309.63
- Having significant increase in credit risk	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–
Disputed						
- Considered good	–	–	–	–	–	–
- Having significant increase in credit risk	18.88	3.67	87.58	25.67	65.89	201.69
- Credit impaired	–	–	–	–	–	–
Total Receivables	28879.07	360.67	170.41	27.79	73.38	29511.32

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
9. CASH AND CASH EQUIVALENTS		
Balances with banks		
Current Accounts	2277.67	2433.17
Cash in hand	22.19	9.59
	2299.86	2442.76
Less : Related to Business Restructuring (Refer Note No. 43)	1243.23	–
	1056.63	2442.76

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Term Deposit - Towards Margin Money & Security against Overdraft facilities (Refer Note No. 41)	3589.26	2161.84
Security against Guarantees & other commitments	51.29	28.69
	3640.55	2190.53
Less : Related to Business Restructuring (Refer Note No. 43)	1.00	–
	3639.55	2190.53
11. OTHER FINANCIAL ASSETS - CURRENT		
Security Deposits	1287.11	879.78
Interest accrued but not due	93.66	116.52
Export Incentives Receivable	202.94	115.64
	1583.71	1111.94
Less : Related to Business Restructuring (Refer Note No. 43)	2.40	–
	1581.31	1111.94
12. OTHER CURRENT ASSETS		
Unsecured considered good, unless otherwise stated		
Advances with Suppliers & Others*	24428.51	25589.26
Leasehold Land Prepayments	1.83	5.13
Balance with Government Authorities	9880.57	6485.81
Advances to Employees	111.99	116.60
Prepaid Expenses	10340.92	6894.15
	44763.82	39090.95
Less : Related to Business Restructuring (Refer Note No. 43)	8531.77	–
	36232.05	39090.95

* Includes-
- Sum of ₹570.41 Lakhs paid to fixed deposit holders towards cancellation of 50,62,872 no of Equity Shares (Refer Note No. 13 G)

13. SHARE CAPITAL

A. Equity Share Capital

	As at 31.03.2026		As at 31.03.2025	
	No. of Shares	Amount (₹/Lakhs)	No. of Shares	Amount (₹/Lakhs)
Authorised				
Equity Shares of ₹2/- each	1000000000	20000.00	1000000000	20000.00
Issued and Subscribed				
Equity Shares of ₹2/- each	547953699	10959.07	547953699	10959.07
Paid up				
Equity Shares of ₹2/- each	547953699	10958.41	547953699	10958.41

(33000 Shares not paid up)

Reconcilation of the numbers and amount of Equity shares -

For the year ended	As at 31.03.2026		As at 31.03.2025	
	No. of Shares	Amount (Rs./Lakhs)	No. of Shares	Amount (Rs./Lakhs)
Outstanding at beginning of the year	547953699	10958.41	511168708	10222.71
Add : Shares issued during the year through Qualified Institutions Placement (QIP)	–	–	36784991	735.70
Outstanding at the end of year	547953699	10958.41	547953699	10958.41

Shares held by promoters at the end of the year

S. No.	Name of the promoter	As at 31.03.2026 No. of Shares held	As at 31.03.2026 % of share-holding	As at 31.03.2025 No. of Shares held	As at 31.03.2025 % of share-holding
1	KANTA SURI	1510	0.00%	1510	0.00%
2	RAJAS SURI (KB SURI SONS HUF)	972830	0.18%	972830	0.18%
3	SANJAY SURI (SANJAY SURI SONS HUF)	2100000	0.38%	2100000	0.38%
4	PRADUMAN LAL SURI HUF	2990	0.00%	2990	0.00%
5	SUSHIL SURI (SUSHIL SURI SONS HUF)	1201560	0.22%	1201560	0.22%
6	ANUBHAV SURI (ARUN SURI SONS HUF)	1500000	0.27%	1500000	0.27%
7	MAMTA SURI	3004000	0.55%	3004000	0.55%
8	SONIA SURI	3679718	0.67%	3679718	0.67%
9	SANJAY SURI	3417240	0.62%	3417240	0.62%
10	P.L. SURI	400000	0.07%	400000	0.07%
11	ANJU SURI	5186369	0.95%	5186369	0.95%
12	SUSHIL SURI	5501510	1.00%	5501510	1.00%
13	SUNITA SURI	3192240	0.58%	3192240	0.58%
14	SHALU SURI	2052250	0.37%	2052250	0.37%
15	VARUN SURI	3052357	0.56%	3052357	0.56%
16	ANUBHAV SURI	782134	0.14%	782134	0.14%
17	SARA SURI	705000	0.13%	705000	0.13%
18	GULFY SURI	1150000	0.21%	1150000	0.21%
19	AANCHAL SURI	685922	0.13%	685922	0.13%
20	RAJAS SURI	155000	0.03%	155000	0.03%
21	MASTER ARJUN SURI	697060	0.13%	697060	0.13%
22	KANAK SURI	997060	0.18%	997060	0.18%
23	AANANDI	750000	0.14%	750000	0.14%
24	AAKRITI SURI	55000	0.01%	55000	0.01%
25	BROOK INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15159252	2.77%	15159252	2.77%
26	CONCEPT CREDITS AND CONSULTANTS PRIVATE LTD.	15347724	2.80%	15347724	2.80%
27	EPITOME HOLDINGS PRIVATE LTD.	14500820	2.65%	14500820	2.65%
28	LIQUID HOLDINGS PRIVATE LTD.	5003000	0.91%	5003000	0.91%
29	MID MED FINANCIAL SERVICES AND INVESTMENTS PRIVATE LTD.	14973813	2.73%	14973813	2.73%
30	REACT INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	14942134	2.73%	14942134	2.73%
31	SOLITARY INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15114045	2.76%	15114045	2.76%
32	SQUARE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	14102075	2.57%	14102075	2.57%
33	SOLACE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15082790	2.75%	15082790	2.75%
34	SEED SECURITIES AND SERVICES PRIVATE LTD.	14328780	2.61%	14328780	2.61%
35	SCOPE CREDITS AND FINANCIAL SERVICES PRIVATE LTD.	15575405	2.84%	15575405	2.84%
	TOTAL	195371588	35.65%	195371588	35.65%

B. Shareholders holding more than 5% shares -

Equity Shares

Name of Shareholder	As at 31.03.2026		As at 31.03.2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pinfold Overseas Ltd.	38530000	7.03%	38530000	7.03%

C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption -

i) The equity shares of the company are having a par value of ₹2/- each. Every member of the Company holding equity shares shall be entitled to vote on every resolution placed before the Company and his voting rights on any poll shall be in proportion to his share in the paid-up equity share capital of the company.

ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company as per preference prescribed under the Act. The distribution will be in the proportion of the number of equity shares held by each shareholder.

D. During last 5 years immediately preceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash.

E. Disclosure about unpaid calls - (₹ in Lakhs)

Unpaid Calls	As at 31.03.2026	As at 31.03.2025
By Directors & Officers	–	–
By Others	0.66	0.66

F. No shares have been forfeited by the company during the year.

G. In terms of Hon'ble National Company Law Tribunal ('NCLT') order dated 12.03.2018, the company sent notices to all the eligible FD holders seeking, their bank account details and identification particulars, for transfer of Fixed Deposit (FD) dues in their respective bank accounts. In all 4953 no. of fixed deposit holders submitted their identification and bank account particulars and surrendered a total of 50,62,872 Equity Shares for cancellation, with the company. All these FD holders who provided their bank account details, identification particulars and other relevant details, were paid their entire FD dues as per Hon'ble NCLT order dated 12.03.2018. The necessary information in this regard to payment of FD dues were duly submitted to the jurisdictional Registrar of Companies.

Post reconciliation of equity shares surrendered by eligible Fixed Deposit (FD) holders, the number of equity shares identified for cancellation has increased to 50,62,872 instead of earlier 50,38,983 equity shares.The company has approached BSE Limited (BSE) and National Stock Exchange of India (NSE) for cancellation of aforesaid shares, for which pay-out has been made by the company, in compliance with Hon'ble NCLT's order dated 12.03.2018. As soon as the Stock Exchanges give their go ahead for cancellation of said shares from total listed capital, the resultant reduction of share capital will be updated with the jurisdictional Registrar of Companies.

Necessary accounting entries for the cancellation of equity capital and reversal of reserves and surplus for ₹100.78 Lakhs and ₹469.63 Lakhs respectively, will be given effect on the receipt of guidance from stock exchanges and depositories. The total sum of ₹570.41 Lakhs, comprising of debit balance of share capital and reserves & surplus, is appearing under head - other current assets. Aforesaid entries has insignificant impact on EPS and current assets.

H. During the financial year ending March 31, 2025, the company raised funds aggregating to ₹20000.00 lakhs through a Qualified Institutions Placement (QIP). The net proceeds from the issue, after adjusting share issue expenses of ₹1092.45 lakhs, amounted to ₹18907.55 lakhs. During the current year ended March 31, 2026, the Company has utilised the proceeds in accordance with the objects set out in the Placement Document. The utilisation thereof is monitored by the Management and reviewed by the Audit Committee, including reporting to the Monitoring Agency, in compliance with applicable regulatory requirements. There has been no deviation or variation in the utilisation of the proceeds from the stated objects, except for timing differences in deployment.

Details of utilisation of QIP issue proceeds are given below :-

Particulars	Amount as per Placement Document	Total amount utilised upto March 31, 2026	Balance amount as on March 31, 2026	Remarks
1) Funding capital expenditure requirement at the API facility located at Baddi	7380.81	7380.81	–	Refer notes below
2) Funding capital expenditure requirement at the API facility located at Masulkhana	754.73	754.73	–	
3) Funding capital expenditure requirement at the medical devices facility located at Baddi	4143.84	2787.59	1356.25	
4) Working capital requirement	6628.17	6628.17	–	
5) Issue expenses	1092.45	–	–	
Total	20000.00	17551.30	1356.25	

The amount originally allocated towards working capital in the Placement Document was ₹6435.98 lakh. Pursuant to lower actual issue-related expenses of ₹1092.45 lakh as against the estimated expenses of ₹1284.64 lakh, the resultant savings of ₹192.19 lakh have been utilised towards working capital requirements, thereby revising the allocation to ₹6628.17 lakh.

In addition to the above, the Company has earned income of ₹671.58 lakh on deployment of unutilised funds, comprising interest income and capital gains. Out of such income, an amount of ₹155.47 lakh has been utilised towards capital expenditure in API–Baddi and API–Masulkhana facilities over and above the amounts originally allocated in the Placement Document. The balance income of ₹516.11 lakh remains available for utilisation.

Accordingly, the total unutilised amount, including income earned amouting to ₹516.11 Lakhs, aggregates to ₹1872.35 lakh as at March 31, 2026 (March 31, 2025: ₹7794.57 lakh). Pending utilisation, such funds have been temporarily invested in debt mutual funds. Further, at the end of the year, no amounts are lying in the Monitoring Account and Current Account, respectively (March 31, 2025: ₹3.41 lakh and ₹10.48 lakh, respectively).

14. BORROWINGS*

(₹ in Lakhs)

Long Term	Current		Non Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Secured				
Term Loans - Vehicles	279.80	216.58	448.69	575.81
Unsecured				
Term Loans**	2134.09	500.00	12911.37	2000.00
Total	2413.89	716.58	13360.06	2575.81
Less : Related to Business Restructuring (Refer Note No. 43)	–	–	74.16	–
	2413.89	716.58	13285.90	2575.81

** Unsecured Loans are secured by the personal guarantee of Chairman and Managing Director of the company.

Short Term	31.03.2026	31.03.2025
Secured		
Bank Overdraft and Bill Discounting facility against term deposit made by company	527.60	1274.59
Cash Credit Limit, Working Capital Demand Loan & Demand Loan#@	3167.50	3328.98
Current maturities of Long Term Borrowings - Secured Loan	279.80	216.58
Unsecured		
Current maturities of Long Term Borrowings - Unsecured Loan	2134.09	500.00
Total	6108.99	5320.15
Less : Related to Business Restructuring (Refer Note No. 43)	35.95	–
	6073.04	5320.15

* For detailed terms and conditions of borrowings please refer note no. 41

\# During the last financial year, the Company had availed working capital facilities from Kotak Mahindra Bank aggregating to ₹9,900.00 lakhs, secured by charge on assets and guarantees of promoters. During the year ended 31 March 2026, the Company has fully repaid and closed the said facilities. Accordingly, all related charges and guarantees have been released, and there are no outstanding balances as at the reporting date.

@ The monthly statements of current assets and liabilities (comprising inventory, trade receivables, trade payables and short-term borrowings) submitted by the company to the banks are in agreement with the books of account.

15. LEASE LIABILITIES*

	Current Portion		Non Current Portion	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Lease Liabilities	890.39	796.62	382.54	858.81
Total	890.39	796.62	382.54	858.81
Less : Related to Business Restructuring (Refer Note No. 43)	125.38	–	49.67	–
	765.01	796.62	332.87	858.81

* For detailed disclosures please refer note no. 42

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
16. OTHER FINANCIAL LIABILITIES (NON-CURRENT)		
Security Deposits from Business Associates & Others	42.90	42.90
Less : Related to Business Restructuring (Refer Note No. 43)	–	–
	42.90	42.90

17. PROVISIONS

(₹ in Lakhs)

	Current		Non Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Gratuity	740.07	561.60	2976.04	2783.24
Leave Encashment	354.58	221.93	930.87	856.26
Income Tax (Net of tax payments & TDS deductions)	1362.98	687.71	–	–
Other Expenses	441.05	288.51	–	–
Total	2898.68	1759.75	3906.91	3639.50
Less : Related to Business Restructuring (Refer Note No. 43)	2095.49	–	466.12	–
	803.19	1759.75	3440.79	3639.50

18. TRADE PAYABLES

	As at 31.03.2026	As at 31.03.2025
Total outstanding dues of micro enterprises and small enterprises	288.26	43.03
Total outstanding dues of creditors other than micro enterprises and small enterprises	30390.86	33798.37
	30679.12	33841.40
Less : Related to Business Restructuring (Refer Note No. 43)	6995.59	–
	23683.53	33841.40

Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under *

(₹ in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
The principal amount remaining unpaid at the end of the year	288.26	43.03

* No interest payment has been made during the year to any micro and small enterprises. The unpaid amount as at 31.03.2026 is for a period of less than 45 days. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Ageing of Trade Payables (2025-26)	< 1 year	1-2 years	2-3 years	3 years or more	Total
(i) Outstanding dues of micro enterprises and small enterprises	288.26	–	–	–	288.26
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises	29367.67	771.92	210.95	40.32	30390.86
(iii) Disputed dues - Outstanding dues of micro enterprises and small enterprises	–	–	–	–	–
(iv) Disputed dues - Outstanding dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total Payables	29655.93	771.92	210.95	40.32	30679.12
Ageing of Trade Payables (Related to Business Restructuring)	6995.16	0.43	–	–	6995.59

Ageing of Trade Payables (2024-25)	< 1 year	1-2 years	2-3 years	3 years or more	Total
(i) Outstanding dues of micro enterprises and small enterprises	43.03	–	–	–	43.03
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises	33437.96	245.34	22.99	92.08	33798.37
(iii) Disputed dues - Outstanding dues of micro enterprises and small enterprises	–	–	–	–	–
(iv) Disputed dues - Outstanding dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total Payables	33480.99	245.34	22.99	92.08	33841.40

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
19. OTHER FINANCIAL LIABILITIES -CURRENT		
Accrued Salaries and Benefits	1946.39	1569.73
Interest accrued and due on borrowings	47.92	–
Others (includes a sum of Rs. 13.18 Lakhs payable towards unpaid subscription of Equity share capital of subsidiary, Morepen Labs -FZCO, Dubai) (Refer Note No.3)	1171.24	947.40
	3165.55	2517.13
Less : Related to Business Restructuring (Refer Note No. 43)	657.45	–
	2508.10	2517.13
20. OTHER CURRENT LIABILITIES		
Advance Received from Customers	3137.25	1675.07
Direct & Indirect Taxes	270.20	245.44
	3407.45	1920.51
Less : Related to Business Restructuring (Refer Note No. 43)	2611.29	–
	796.16	1920.51

(₹ in Lakhs)

	Year Ended 31.03.2026	Year Ended 31.03.2025
21. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
a) Contingent Liabilities		
Claims against the Company not acknowledged as debts	91.99	63.07
Guarantees	1333.46	904.84
Other money for which company is contingently liable (Includes a sum of ₹31736.62 Lakhs towards GST Demand raised by Commissioner, Central GST & Central Excise Commissionerate, Shimla.)	32114.62	655.54
	33540.07	1623.45
b) Other commitments		
Capital commitments	531.68	1944.45
Commitments towards Alternative Investment Funds (Total commitment - ₹100 Lakhs)	50.00	–
Total Other commitments	581.68	1944.45
	34121.75	3567.90
Less : Related to Business Restructuring (Refer Note No. 43)	154.08	–
	33967.67	3567.90
22. REVENUE FROM OPERATIONS		
Sale of products		
Domestic	100120.80	86773.10
Exports	67546.12	67921.25
Total	167666.92	154694.35
Other Operating Revenues		
Export Incentives	412.56	438.54
Other items	40.02	320.64
	452.58	759.18
	168119.50	155453.53
Break-up of revenue from sale of products (net of taxes)		
Manufactured goods		
API & Intermediates	94452.47	93554.47
Home Health	58526.05	47724.89
Formulations	13261.88	10970.87
Sale of Manufactured Goods - (A)	166240.40	152250.23
Traded Goods		
Home Health	1171.96	1967.73
Formulations	254.56	476.39
Total Sales of Traded Goods - (B)	1426.52	2444.12
Revenues from Sales Operations (A+B)	167666.92	154694.35
23. OTHER INCOME		
Interest Income	124.89	446.71
Notional Interest on security deposit & others	29.73	22.33
Exchange Fluctuations	1788.25	1029.45
Others	206.64	73.47
	2149.51	1571.96

(₹ in Lakhs)

	Year Ended 31.03.2026	Year Ended 31.03.2025
24. COST OF MATERIALS CONSUMED		
Raw Materials	98614.56	95298.33
Packing Materials	5696.01	4619.98
	104310.57	99918.31
Break up of cost of materials consumed		
API & Intermediates	59050.96	62168.74
Home Health	36700.54	30687.46
Formulations	8559.07	7062.11
Total	104310.57	99918.31
25. PURCHASE OF STOCK-IN-TRADE		
Home Health	1349.81	1733.34
Formulations	152.53	347.77
Total	1502.34	2081.11
26. CHANGE IN INVENTORY		
Opening Balance -		
Work-in-progress	5861.95	3741.37
Finished goods	5387.82	3090.43
Stock-in-trade	139.99	313.67
Stores and spares	558.76	367.00
	11948.52	7512.47
Closing Balance -		
Work-in-progress	4443.96	5861.95
Finished goods	6552.41	5387.82
Stock-in-trade	131.28	139.99
Stores and spares	497.68	558.76
	11625.33	11948.52
Change in Inventory	323.19	(4436.05)
27. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	18784.13	16088.08
Contribution to provident fund/ ESI	440.40	409.71
Gratuity and Leave Encashment	792.71	705.29
Staff Welfare	610.46	519.35
	20627.70	17722.43
28. FINANCE COST		
Interest expense	1366.59	326.58
Interest expense of lease liabilities	130.86	152.91
Loan Processing Fees	33.93	55.75
Interest on delay in deposit of Advance Tax	78.33	175.05
	1609.71	710.29

(₹ in Lakhs)

	Year Ended 31.03.2026	Year Ended 31.03.2025
29. OTHER EXPENSES		
Consumption of Stores and spare parts	3471.64	2636.65
Power and Fuel	4489.72	4062.24
Repairs to Buildings	302.09	211.28
Repairs to Machinery	802.13	807.35
General Repairs	1388.78	1559.55
Research & Development	536.09	369.37
Quality Control & Testing Charges	1715.60	1588.39
Insurance	164.17	222.06
Rent	462.96	493.26
Rates and Taxes	170.14	117.52
Legal and Professional Expenses	2586.50	1803.59
Travelling Expenses	1849.18	1832.74
Selling and Distribution Expenses	9041.26	7000.01
Miscellaneous Expenses	3167.60	2122.62
	30147.86	24826.63
30. PAYMENTS TO AUDITORS (excluding GST)		
Statutory Auditors -		
Audit Fee	25.00	25.00
Tax Audit Fee	13.00	13.00
Tax Matters	2.00	2.00
Certification & Others	8.14	29.95
Total	48.14	69.95
Cost Auditors-		
Audit Fees	3.60	3.60
Others	2.50	2.50
Total	6.10	6.10

31. PRIOR PERIOD ITEMS

Expenses include ₹80.17 Lakhs (Previous Year ₹31.35 Lakhs) as expenses relating to earlier years

32. DISCLOSURES ABOUT IMPORTS, EXPENDITURE IN FOREIGN CURRENCY, RAW MATERIAL CONSUMPTION & EARNINGS IN FOREIGN EXCHANGE -

	Year Ended 31.03.2026	Year Ended 31.03.2025
A. VALUE OF IMPORTS ON CIF BASIS		
Raw Materials	58917.50	59267.13
Stock -in -trade	801.84	769.45
Capital Goods	465.84	962.35
	60185.18	60998.93
B. EXPENDITURE IN FOREIGN CURRENCY		
Purchase of Capital Goods/ Travel/ Commission	1518.26	1646.92
	1518.26	1646.92

(₹ in Lakhs)

	Year Ended 31.03.2026	Year Ended 31.03.2025
C. VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIAL CONSUMED AND PERCENTAGE THEREOF		
Imported	64292.51	63792.46
Indigenous	40018.06	36125.85
	104310.57	99918.31
% Imported	61.64	63.84
% Indigenous	38.36	36.16
	100.00	100.00
D. EARNINGS IN FOREIGN EXCHANGE		
Exports of Goods on F.O.B. basis	65071.36	66403.06
	65071.36	66403.06

33. SEGMENT REPORTING

In accordance with Indian Accounting Standard, Ind AS-108 "Operating Segment ", segment information has been given in consolidated financial statements of the company, and therefore, no separate disclosure on segment information is given in these financial statements.

34. RELATED PARTY DISCLOSURES

Disclosure as required by Indian Accounting Standard "Related Party Disclosures" (Ind AS 24) as notified u/s 133 of Companies Act, 2013 are as under:

Related Parties	
1. Subsidiary Companies -	
Morepen Bio Inc., USA (Formerly Morepen Inc.)	Overseas Company
Morepen Labs - FZCO, Dubai	Overseas Company
Morepen Medical Equipment Trading LLC, Dubai	Overseas Company
Morepen Rx Limited	Domestic Company
Morepen Medipath Limited (Formerly Morepen Medtech Ltd.)	Domestic Company
Sigmacheck Health Private Limited	Domestic Company
Morepen Devices Limited	Domestic Company
Dr. Morepen Limited (till July 31, 2025)	Domestic Company
Quick Med Private Limited (till July 31, 2025)	Domestic Company
Total Care Limited (till July 31, 2025)	Domestic Company
2. Key Management Personnel	Mr. Sushil Suri, Chairman & Managing Director Mr. Sanjay Suri, Whole Time Director Mr. Ajay Kumar Sharma, Chief Financial Officer Mr. Vipul Kumar Srivastava, Company Secretary
3. Relatives of Key Management personnnels with whom the company has any transaction during the year	Mrs. Shalu Suri, Ms. Anandi Suri, Mr. Arjun Suri, Mrs. Amita Sharma
4. Entities over which key management personnel/ or Relatives of key management personnel are able to exercise significant influence with which the company has any transactions during the year	Edit 25 Lifestyle Private Limited Groom Town Pvt. Ltd. Morepen Proprietary Drug Research Private Limited Vignet Trading Private Limited Backhome Foods and Foods Private Limited

	Blueheaven Marketing Private Limited Dr. Morepen Limited (from August 1, 2025) Quickmed Private Limited (from August 1, 2025)
5. Other entities / persons : (Persons and entities where persons under Ind AS 24 para 9 (a) hold significant influence, control, joint control or acts as KMP)	Mr. Anubhav Suri, Mr. Kushal Suri, Mrs. Sunita Suri, Mrs. Mamta Suri, Mrs. Sakshi Suri, Mrs. Suhina Suri, Mrs. Bavleen Suri, Mr. Rajas Suri

Transactions with related parties -

Particulars	Nature of transaction	₹/Lakhs
1. Subsidiary Companies	Subscription of Share Capital	20.00
	Sale of inventories	13430.72
	Purchase of inventories	0.60
	Brand Usage expenses	80.15
	Reimbursement of Office & Rental Expense	191.50
	Investment	13.18
	Trade Advance	107.77
	Long Term Advance	2000.00
	Amount receivable as on 31.03.2026	7538.25
	Maximum amount outstanding	7538.25
2. Key Management Personnel	Remuneration	661.75
	Amount Payable as on 31.03.26	19.34
	Maximum amount outstanding	61.02
3. Relatives of key Management personnnels with whom the company has any transaction during the year	Remuneration	229.70
	Amount Payable as on 31.03.26	12.87
	Maximum amount outstanding	19.92
4. Entities over which key management personnel/ or Relatives of key management personnel are able to exercise significant influence with which the company has any transactions during the year	Receipt of services	1265.41
	Sale of inventories	4905.05
	Brand Usage expenses	218.34
	Purchase of inventories	0.04
	Reimbursement of Office & Rental Expense	215.74
	Sale of Equity Shares of Dr. Morepen Ltd.	3064.59
	Trade Advance Return	75.00
	Amount Payable as on 31.03.26	1168.67
	Maximum amount outstanding	1778.65
5. Other entities / persons : (Persons and entities where persons under Ind AS 24 para 9(a) hold significant influence, control, joint control or acts as KMP)	Remuneration	1296.82
	Amount Payable as on 31.03.26	350.33
	Maximum amount outstanding	389.98

Remuneration paid to employees of Morepen Laboratories Limited (the company) and its KMPs of the subsidiaries, is not included in the above details. The above details also do not include retail purchases made by related parties from the company.

35. EARNING PER SHARE

Particulars	Year Ended	
	31.03.2026	31.03.2025
Profit for the year (₹in Lakhs)	6605.75	10157.52
Earnings per share in rupees (face value ₹2/- per share)-		
Weighted average number of equity shares used in computing basic EPS	547953699	535255319
Basic & Diluted EPS (₹) - (Face value of ₹2/- per share)	1.21	1.90

36. EMPLOYEE BENEFITS

Disclosures as per Accounting Standard, Ind AS -19 'Employee Benefits' is as under -

(A) Disclosures for Defined Contribution Plans - (₹/Lakhs)

Particulars	31.03.2026	31.03.2025
Employer's Contribution to Provident Fund	412.24	379.62
Employer's Contribution to Employees State Insurance	27.20	29.31
Labour Welfare Fund- Employer	0.96	0.78

(B) Disclosures for Defined Benefit Plans - Unfunded (₹/Lakhs)

Particulars	Gratuity		Leave Encashment	
I Change in the present value of obligation:	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Present Value of Obligation at beginning of the year	3344.84	3110.06	1078.19	897.07
Add: Interest Cost	249.54	222.04	98.41	82.84
Add: Current Service Cost	264.74	227.84	534.21	498.27
Less:- Benefit Paid	146.57	192.08	347.88	354.87
Add: Acturial loss/(gain) on obligations	3.57	(23.03)	(77.49)	(45.12)
Present Value of Obligation as at year end	3716.12	3344.84	1285.44	1078.19
II Change in the fair value of plan Assets:	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Fair Value of Plan Assets at the beginning of year	–	–	–	–
Add : Expected Return on Plan Assets	–	–	–	–
Add : Contributions	–	–	–	–
Less: Benefits Paid	–	–	–	–
Fair Value of Plan Assets at year end	–	–	–	–
III Expense recognized in the Statement of Profit & Loss	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Current Service Cost	264.74	227.84	534.21	498.27
Add: Interest Cost	249.54	222.04	98.41	82.84
Less: Expected Return on plan asstes	–	–	–	–
Less: Settlement Credit	–	–	276.70	280.59
Add: Net acturial loss/(gain) recognised	–	–	(77.49)	(45.12)
Total expenses recognized in the statement of profit & loss	514.28	449.88	278.43	255.41

IV The following table sets out the assumptions used in actuarial valuation of gratuity and leave encashment-

Assumptions	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Discount Rate	7.50%	6.70%	7.50%	6.70%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%
Expected Return on Assets	–	–	–	–
Employee Turnover rates	3.00%	3.00%	3.00%	3.00%
Expected average remaining working lives of employees (years)	19.93	20.10	19.93	20.10

Notes -

1. Represents sum of ₹276.70 Lakhs (previous year ₹280.59 Lakhs) benefits paid as salaries in respect of compensated absences and ₹70.47 Lakhs (previous year ₹74.29 Lakhs) regular benefit payments upon exit from service is included in the amount of ₹347.88 Lakhs (previous year ₹354.87 Lakhs) of benefits paid.
2. The Government of India has enacted four Labour Codes, namely the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, to consolidate and rationalise existing labour laws. However, the detailed rules and effective dates for implementation of key provisions are yet to be notified. In accordance with Ind AS 19, employee benefit obligations are measured based on laws that are enforceable as at the reporting date. As the relevant provisions of the Labour Codes are not yet operational, the company has continued with the existing accounting treatment at this stage. Accordingly, gratuity and leave encashment continue to be accounted for under the applicable laws. The impact, if any, will be evaluated when the relevant provisions become effective.

37. IMPAIRMENT

It is the view of management that there are no impairment conditions that exist as on 31st March, 2026. Hence, no provision is required in the accounts for the year under review.

38. INCOME TAXES

A. Current Tax and Deferred Tax Expense

Income taxes recognised in the statement of profit and loss including Other Comprehensive Income (OCI)-

(i) Profit and Loss account

(₹ in Lakhs)

For the year ended	31.03.2026	31.03.2025
Current tax	1484.62	3151.36
Earlier Years taxes	(13.15)	–
Deferred tax expense	849.20	472.71
Total income tax expenses	2320.67	3624.07

Current year tax expense include a sum of ₹15.67 Lacs attributable to the exceptional item amounting to ₹109.59 Lakhs.

(ii) Other Comprehensive Income

Tax impact of Items that will not be reclassified to Profit & Loss	100.59	–
	100.59	–

B. Deferred Tax Liabilities/ (Assets) (Net)

Deferred Tax Liabilities	3116.93	2261.88
Tax impact on cumulative unrealised gains	28.09	–
Deferred Tax Assets	1598.16	1564.22
Deferred tax Liabilities/(Assets) (Net)	1546.86	697.66
Tax impact of Items that will not be reclassified to Profit & Loss	100.59	–
	1647.45	697.66

Major Components of temporary difference and their movements thereof are given below -

(₹ in Lakhs)

	31.03.2026	31.03.2025
(i) Profit and Loss Account		
Deferred tax Liabilities -		
PP&E depreciation and Intangible Amortization	12384.52	8987.13
Total	12384.52	8987.13
Tax Rate	25.17%	25.17%
Tax Amount	3116.93	2261.88
Deferred Tax Assets -		
Retirement benefits & Leave Encashment	5001.55	4423.03
Provisions deductible for tax purposes in future periods	75.52	136.67
Lease Liabilities	1272.93	1655.42
Total	6350.00	6215.12
Tax Rate	25.17%	25.17%
Tax Amount	1598.16	1564.22
(ii) Other Comprehensive Income (OCI)		
Tax impact on cumulative unrealised gains -		
Gain on Equity-oriented MFs (Short-term)	14.68	–
Tax Rate	22.88%	–
Gain on Debt MFs	98.27	–
Tax Rate	25.17%	–
Cumulative unrealised gains	112.95	–
Tax Amount	28.09	–
Tax impact on Items that will not be reclassified to Profit & Loss		
Re-measurement (gain)/loss on Defined Benefit Plans	(3.57)	–
Tax expense	(0.92)	–
Net	(2.65)	–
Tax Rate	25.17%	–
Fair value changes on Equity Instruments through OCI	709.83	–
Deferred Tax expense	101.51	–
Net	608.32	–
Tax Rate	14.30%	–
Cumulative Value of Items that will not be reclassified to Profit & Loss	706.26	–
Tax Amount	100.59	–

C. Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:-

(₹ in Lakhs)

S.No Particulars	31.03.2026	31.03.2025
(1) Profit before tax	8816.83	13758.56
(2) Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(3) Tax on accounting profit (3)=(1)*(2)	2219.02	3462.75
(4) (i) Tax on expenses not tax deductible		
- A. CSR Expenses	61.72	56.66
- B. Provisional Expenses (includes expenses disallowed u/s 43B, Gratuity and provision for doubtful debts and provision for interest on income tax)"	199.51	177.51
- C. Depreciation as provided in books of accounts	737.63	615.16

- D. Disallowance of notional interest on lease liabilities	32.93	38.48
- E. Expenses not deductible u/s 37	29.31	53.92
(ii) Tax on deductible expenses		
- A. Depreciation as per Income Tax Act, 1961	(1484.56)	(983.88)
- B. Other Comprehensive Income - Remeasurement of defined benefit obligations	0.90	(5.80)
- C. Expenses allowable on payment basis (includes gratuity payments and payments made u/s 43B)	(54.80)	(67.04)
- D. Tax effect on notional interest income	(7.48)	(5.62)
- E. Expenses deductible towards actual lease payments.	(236.78)	(208.02)
(iii) Effect of current tax related to earlier years	–	–
(iv) Recognition/ (Reversal) of deferred tax liability on account of changes in timing differences and deductible temporary differences	849.20	472.71
(v) Tax impact on cumulative unrealised gains	(28.43)	–
(vi) Tax impact on fair value changes on Equity Instruments through OCI	100.59	–
Total effect of tax adjustments [(I) to (vi)]	199.74	144.10
(5) Tax expense recognised during the year (5)=(3)+(4)	2418.74	3606.84
(6) Effective tax rate (6)=(5)/(1)	27.43%	26.22%

The Company has opted to pay the tax under section 115BAA of the Income Tax Act, 1961. Accordingly the provision for current and deferred tax has been determined at the rate of 25.17%.

39. Dividend

The Board of Directors at their meeting held on 26th May, 2026 recommended a final dividend of Rs. 0.20/- per share, for the financial year ending March 31, 2026. Final dividend proposed by the Board of Directors is recognized upon approval by the members shareholders, at the forthcoming Annual General Meeting, who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors.

No dividend shall be payable in respect of 50,62,872 equity shares that had been surrendered by members (erstwhile fixed deposit holders) to the Company for cancellation and had claimed refund of their fixed deposit dues in lieu thereof, in accordance with the order passed by the Hon'ble National Company Law Tribunal (NCLT), Chandigarh, dated March 12, 2018. These shares have been cancelled by the Board of Directors of the Company and are pending for cancellation by the Stock Exchanges.

40. Corporate Social Responsibility (CSR)

a) During the financial year ended March 31, 2026, CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof was ₹244.03 Lakh (Previous year ₹225.11 Lakh).

b) During the year the Company has made an expenditure of ₹245.25 Lakh (Previous year ₹225.51 lakh) related to CSR.

c) Details of CSR expenditure incurred during the year ended March 31, 2026 is as below :-

(₹/Lakhs)

Nature of CSR activity	31.03.2026	31.03.2025
-Promotion of Healthcare	55.55	79.00
-Social Infrastructure	54.98	34.21
-Education	112.72	105.30
-Sports	5.85	4.95
-Others	16.15	2.05
Total	245.25	225.51

41. Terms and Conditions of borrowings

A) Long Term Borrowings – Vehicle Loans (Secured)

These loans are repayable on a monthly basis, secured by way of hypothecation of specific assets purchased under the hire purchase agreement.

(₹in Lakhs)

Particulars	Current	Non Current				Total
Year of Repayment	2026-27	2027-28	2028-29	2029-30	Total	
Annual Repayment Amount (₹in Lakhs)	279.80	279.62	152.56	16.51	448.69	728.49
Annual Rate of Interest (%)	7.77% – 9.83%	7.77% – 9.83%	7.77% – 9.83%	7.77% – 9.83%	7.77% – 9.83%	

B) Long Term Borrowings – Unsecured

During Maturity profile of Unsecured Term Loans outstanding as on March 31, 2026 amounting to ₹15045.00 Lakhs are set out below :

(₹in Lakhs)

Particulars	Current	Non Current		Total
Year of Repayment	2026-27	2027-28	2028-29	
Annual Repayment Amount (₹in Lakhs)	2134.09	7336.37	5575.00	15045.46
Annual Rate of Interest (%)	7.30% – 9.25%	7.30% – 9.25%	7.30% – 9.25%	7.30% – 9.25%

The above maturity profile represents aggregate repayment obligations in respect of term loans availed from various banks.

During the year, the company has received revised repayment schedule of its Term loan availed from Shinhan Bank. As per the schedule, the loan is now repayable in 11 instalments as against 10 instalments stipulated at the time of initial sanction. Accordingly, the maturity profile of the said borrowing has been revised based on the updated repayment schedule.

C) Short Term Borrowings - Unsecured loans

During the year, the company has availed fresh unsecured loans for funding its working capital requirements which are at interest rates ranging from 7.30% to 9.25%.

During the previous year ended March 31, 2025, the Company had availed a demand loan facility of ₹276.50 lakhs from Punjab National Bank, secured against term deposits. During the current year ended March 31, 2026, the said facility has been converted into an overdraft facility, which continues to be secured against the underlying term deposits and carries the same terms and conditions as the erstwhile demand loan, including an annual interest rate of up to 8.50%, being 0.5% over and above the deposit rate offered by the bank.

D) Short Term Borrowings - Working Capital Demand Loan

During the year, the Company has obtained fungible working capital facilities from Qatar National Bank aggregating to ₹5000.00 lakhs, comprising a Working Capital Demand Loan (WCDL) facility and an Export Credit Facility. The facilities are repayable on demand or at maturity of individual drawdowns, whichever is earlier, with drawdowns having tenors of up to 90 days (WCDL) and 180 days (export credit facility).

The borrowings carry interest linked to benchmark rates, being MCLR plus applicable margin for WCDL and Term SOFR plus applicable margin for export credit facility, as agreed with the bank from time to time (approximately 8.00% per annum). The facilities are secured by a first ranking pari passu charge by way of hypothecation over the Company's entire current assets, including stocks, raw materials, work-in-progress, consumables and receivables, both present and future and are further supported by a personal guarantee of the Chairman & Managing Director.

The company has repaid the working capital facilities of ₹9900.00 lakhs availed from Kotak Mahindra Bank. The No Dues for these facilities have been received and all kinds of charge on securities have been discharged.

42. RIGHT OF USE OF ASSETS AND LEASE LIABILITIES

a) The Company has recognised right-of-use assets in respect of leases of office premises and solar installations, which are presented under "Right-of-use assets". The movement in right-of-use assets is disclosed under Note No. 2 – Property, Plant and Equipment. The lease terms relating to office premises generally range from 1 to 10 years, while the lease term relating to solar installations is 5 years.

b) Lease liabilities - The movement in lease liabilities is as given below

(₹in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Opening balance	1655.42	–
Additions during the year	427.44	2329.03
Interest accreted	130.86	152.91
Lease payments	940.79	826.52
Closing Balance	1272.93	1655.42

c) Amounts recognised in Statement of Profit and Loss

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Depreciation on "Right of use" of assets (Refer Note no. 2)	837.14	767.22
Interest expense on lease liabilities	130.86	152.91
Expense relating to short term leases	462.96	493.26

d) Other disclosures

- Lease liabilities have been measured at the present value of lease payments using an incremental borrowing rate of 9.25% p.a.
- The Company has not entered into any sub-lease arrangements.

e) Maturity analysis of lease liabilities

Particulars	As at 31.03.2026	As at 31.03.2025
Less than 1 year	38.39	0.94
1 - 5 years	1183.89	1595.04
More than 5 Years	50.65	59.44
Total	1272.93	1655.42

f) During the year, the company recognized a sum of ₹837.14 lakhs towards, annual depreciation and amortization expense on Right-of-Use (RoU) assets . In view of above, annual "Rent"/"Other expenses are lower by ₹940.80 Lakhs. Further, during the year the company recognized annual interest expense of ₹130.86 lakhs , representing the interest component of lease liabilities calculated using the effective interest rate method. Notional interest income for the current year for ₹28.11 lakhs has been recognised during the year in accordance with Ind AS 109 – Financial Instruments.

On account of the above, profit after tax for the year has increased by ₹347.12 lakhs, due to the net impact of amortisation charges, interest expenses and deferred tax assets being offset by rent expenses and interest income.

43. BUSINESS RESTRUCTURING

Pursuant to the recommendation of the Board of Directors at its meeting held on January 14, 2025 and the approval of the shareholders at the Extraordinary General Meeting held on February 10, 2025, the company approved the transfer of its Medical Devices business, being an undertaking of the company, to its subsidiary, Morepen Medipath Limited (formerly known as Morepen Medtech Limited), as a going concern on a slump sale basis. Accordingly, the company entered into a Business Transfer Agreement ("BTA") with the said subsidiary on March 18, 2025, for a consideration of ₹18111.79 lakhs, subject to customary working capital adjustments and receipt of requisite statutory and regulatory approvals.

Pursuant to the Business Transfer Agreement dated March 18, 2025, as amended on May 12, 2025 (the "BTA"), the Appointed Date for the transfer of the Company's Medical Devices business undertaking to its subsidiary, Morepen Medipath Limited, on a slump sale basis, was revised from February 1, 2025 to April 1, 2025. However, due to the time required for obtaining requisite statutory licences, regulatory approvals, and completion of procedural formalities, the transfer is being effected from April 1, 2026.In view of the revised Appointed Date of April 1, 2026, the lump-sum consideration for the slump sale of the Medical Devices business aggregates to ₹19710.12 lakhs, subject to customary closing adjustments, including adjustments relating to working capital as at such date. The consideration so determined is not lower than the fair market value computed in accordance with Rule 11UAE of the Income-tax Rules, 1962, read with Section 50B of the Income-tax Act, 1961, as certified by an independent registered valuer. The BTA dated March 18, 2025, as amended on May 12, 2025, has been further amended pursuant to an amendment agreement dated May 26, 2026 to give effect to the revised consideration consequent to the change in the Appointed Date.As the transaction represents an internal reorganisation of the company's businesses, the Medical Devices business has not been classified as a discontinued operation. However, as the criteria for classification as "held for sale" under Ind AS 105 have been met, the related assets and liabilities have been presented as a disposal group held for sale. Accordingly, the figures reported in the Statement of Assets and Liabilities as at March 31, 2026 are not strictly comparable with those as at March 31, 2025. The results of operations and cash flows of the said business continue to be included within the respective line items of the Statement of Profit and Loss and the Statement of Cash Flows for the year ended March 31, 2026.Pending receipt of certain statutory licenses and regulatory approvals in the name of the transferee company, the company continues to undertake certain administrative and operational activities on behalf of the transferee, until such approvals are obtained and the operations are fully transitioned.

The details of assets and liabilities classified as held for sale are set out below in accordance with Ind AS 105.

Particulars	As at 31.03.2026
Assets included in disposal group held for sale	
NON CURRENT ASSETS	
Property, Plant and Equipment and Intangible Assets	
Property, Plant and Equipment	7344.23
Capital Work in Progress	1333.48
Right of Use of Assets	161.77
Other Intangible Assets	52.52
Financial Assets :	
Other Financial Assets	50.31
Other Non-Current Assets	154.47
	9096.78
CURRENT ASSETS	
Inventories	10297.20
Financial Assets :	
Investments	1696.73
Trade Receivables	1087.80
Cash and Cash Equivalents	1243.23
Bank Balances other than Cash and Cash Equivalents	1.00
Loans	11.54
Other Financial Assets	2.40
Other Current Assets	8531.77
	22871.67
Total Assets held for sale	31968.45
Liabilities included in diosposal group held for sale	
NON - CURRENT LIABILITIES	
Financial Liabilities :	
Borrowings	74.16
Lease Liabilities	49.67
Provisions	466.12
	589.95
CURRENT LIABILITIES	
Financial Liabilities :	
Borrowings	35.95
Lease Liabilities	125.38
Trade Payables	6995.59
Other Financial liabilities	657.45

Other Current Liabilities	2611.29
Provisions	2095.49
	12521.15
Total Liabilities held for sale	13111.10

44. OTHER SIGNIFICANT DISCLOSURES

a) In the opinion of directors, all assets except stated otherwise have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.

b) Balances of Non-current liabilities, Current liabilities, Long terms loans and advances, Trade receivables, Short term loans and advances and banks are subject to confirmation.

c) Assessments under indirect tax laws for earlier years are in progress. Demand, if any, shall be known & accounted for, on the completion of assessments.

d) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.

e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45. Ratios

	As at 31.03.2026	*As at 31.03.2025	%age Change
Current Ratio	2.59	2.51	3.51%
- Numerator - Current Assets	123847.18	110678.40	
- Denominator - Current Liabilities	47740.13	44163.41	
Inventory turnover Ratio	3.90	3.85	1.37%
- Numerator - Cost of Goods Sold	106136.10	97563.37	
- Denominator - Average Inventory	27180.96	25327.02	
Trade receivables turnover Ratio (days)	69	71	-3.42%
- Numerator - Revenue	168119.50	155453.53	
- Denominator - Average Debtors	31890.65	30531.72	
Trade payables turnover Ratio (days)	83	113	-26.53%
- Numerator - COGS	136990.57	97563.37	
- Denominator - Average Creditors	31250.48	30291.99	
* Current FY capex paybles have not been considered			
Debt-Equity Ratio	0.17	0.08	106.46%*
- Numerator - Debt	20741.98	9551.39	
- Denominator			
Equity	10958.41	10958.41	
Reserves & Surplus	113582.85	108062.88	
OCI	(265.41)	(871.08)	
Total Equity	124275.85	118150.21	
*Change is due to loans and credit facilities availed during the year from banks.			
Debt Service Coverage Ratio	280.46%	848.76%	-66.96%
- Numerator - EBITDA	13466.94	16913.06	
- Denominator -Total Loan Liability	4801.73	1992.69	
Interest on loans	1497.45	479.49	
Principal loans	3304.28	1513.20	
* Change is due to loans and credit facilities availed during the year from banks			

	As at 31.03.2026	*As at 31.03.2025	%age Change
Net profit Ratio	3.93%	6.53%	-39.87%
- Numerator - PAT	6605.75	10157.52	
- Denominator - Revenue	168119.50	155453.53	
* Change is due to lower profits as compared to previous year			
Return on Equity Ratio (RoE)	5.32%	8.60%	-38.17%
- Numerator - PAT	6605.75	10157.52	
- Denominator -Total Equity	124275.85	118150.21	
* Change is due to lowers profits earned during current year as compared to previous year			
Net capital turnover Ratio	2.36	2.69	-12.39%
- Numerator - Revenue	168119.50	155453.53	
- Denominator -Average Working Capital	71311.02	57771.07	
Return on Capital employed (RoCE)	7.34%	11.49%	-36.13%
- Numerator - EBIT (PBT+Interest)	10536.13	14468.85	
- Denominator - Total capital employed	143615.71	125964.89	
* Change is due to lowers profits earned during current year as compared to previous year			
Return on investment	3.46%	5.94%	-41.71%
- Numerator - PAT	6605.75	10157.52	
- Denominator - Total Assets	190765.89	171000.39	
* Change is due to lowers profits earned during current year as compared to previous year			

* The ratios disclosed for the current year have been computed by including, the assets, liabilities, income and expenses pertaining to the Medical Devices Business classified as held for sale as at 31 March 2026. This basis has been adopted to maintain comparability with the previous year, in which no items were classified as held for sale.

Independent Auditor's Report

To the Members of Morepen Laboratories Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Morepen Laboratories Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	In the Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956 as approved by the Hon'ble High Court of Himachal Pradesh vide its Order dated August 4, 2009, the Company allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their dues. The Hon'ble NCLT vide its judgment dated 12th March 2018 dismissed the Company's petition seeking approval of the Scheme and stated that the order will not affect the allotment of the shares to the FD holders who have traded the shares to the third parties or transferred the allotted shares and to the balance FD holders (eligible FD holders), the company shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB). The appeal preferred by the company against the said order of NCLT, is dismissed by Hon'ble National Company Law Appellate Tribunal (NCLAT). Pursuant to implementation of Hon'ble National Company Law Tribunal (NCLT), Chandigarh Order dated 12.03.2018, out of 3,85,65,810 Equity Shares of Rs. 2/- each issued at a premium of Rs. 9.32 per share belonging to eligible FD holders, the company has paid Fixed Deposit dues in respect of 50,62,872 Equity Shares received for cancellation with the company till 31.03.2022. (Refer Note No. 13G to the consolidated financial statements)	<u>Principal Audit Procedures</u> We collected and analyzed the Scheme approved by the Company Law Board (CLB) dated 19.08.2003, Judgment of Hon'ble NCLT dated 12th March 2018, order of Hon'ble National Company Law Appellate Tribunal (NCLAT) dated 23.7.2019, Communication with ROC and Stock Exchanges in this regard and other relevant documents in this regard produced for our verification. **The payment to pending eligible FD holders may impact financials of the company in the coming year/years.**

Emphasis of Matter

We draw attention to the following matter:

During the year, the Holding Company has reduced its shareholding in Dr. Morepen Limited from 80% to 19.94%, resulting in loss of control over the said entity with effect from July 31, 2025. Consequently, the Group has deconsolidated Dr. Morepen Limited and its step-down subsidiaries, Total Care Limited and Quick Med Private Limited, and recognised the resultant gain on deconsolidation in the consolidated financial statements in accordance with the applicable Indian Accounting Standards. (Also refer Note 3 to the consolidated financial statements.)

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.

The respective board of directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective board of directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease the operations, or has no realistic alternative but to do so.

The respective board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

" Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transaction and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of subsidiaries namely Morepen Devices Limited, Morepen Rx Limited, (Indian Subsidiaries), Morepen Labs FZCO, Morepen Bio Inc. [earlier Morepen Inc.] and Morepen Medical Equipment Trading L.L.C (foreign Subsidiaries) included in consolidated financial statements. Financial statement of these five subsidiaries reflects total assets of Rs. 11118.33 lakhs as at March 31, 2026, total revenue of Rs. 18217.98 lakhs, total profit after tax of Rs. (87.64) lakhs and total comprehensive income of Rs. (67.89) lakhs for the year ended on that date, as considered in the consolidated financial statements.

The aforesaid financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the auditors of such entities.

Further, we did not audit the interim financial results of Dr. Morepen Limited, Total Care Limited and Quick Med Private Limited for the month of July 2025, included in the financial statements, whose interim financial results reflect total revenues (before consolidation adjustments) of Rs. 1,946.30 lakhs, total profit/(loss) after tax (before consolidation adjustments) of Rs. 64.81 lakhs, and total comprehensive income (before consolidation adjustments) of Rs. 63.03 lakhs for the month of July 2025, as these entities ceased to be subsidiaries of the Parent subsequent to that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of the Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.

d) In our Opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issues thereunder.

e) On the basis of the written representations received from the directors of the Holding company and its Indian subsidiaries as on 31st March 2026 taken on record by the Board of Directors of the respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2026 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls is as per Annexure A.

g) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.

i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(ii) The Company has disclosed the impact of pending litigations on the financial position of the group, in its consolidated financial statements;

(iii) The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

(iv) During the year, the company was not liable to transfer any amount to the Investor Education and Protection Fund.

(v) The Gratuity liability accrued remains uncovered to the extent of being unfunded.

(vi) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement. (Refer Note No. 39(e) to the consolidated financial statements)

(vii) As stated in Note 35 to the accompanying consolidated financial statements, the Board of Directors of the holding company have proposed final dividend for the year ended March 31, 2026 which is subject to the approval of the members at the ensuing Annual General Meeting. The Proposed dividend declared is in accordance with section 123 of the act to extent it applies to declaration of dividend.

   The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

(viii) Based on our examination, which includes the test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements are required to be audited under the act, the company, subsidiaries have used accounting software for maintaining its books of accounts for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tempered with.

   Additionally, the audit trail has been preserved by the company and above referred subsidiaries as per the statutory requirements for record retention.

(ix) In respect of MSME vendors, the Company has made appropriate provision for interest payable in the books of account, wherever applicable, based on confirmations received from vendors identifying themselves as MSMEs, in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

For S.P. Babuta & Associates
Chartered Accountants
F. No. 007657N

CA S.P. Babuta
Managing Partner
FCA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. : 086348
UDIN : 26086348VEAFAE6321

Date :26th May, 2026
Place :Gurugram, Haryana

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the consolidated financial statements of Morepen Laboratories Limited for the year ended 31st March,2026)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2026, we have audited the internal financial controls over financial reporting of Morepen Laboratories Limited (hereinafter referred to as "the Holding Company") and its Indian subsidiaries, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of directors of the holding company and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Holding company and its subsidiaries incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of theAct, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Holding company and its subsidiaries incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, and based on the consideration of reports of other auditors, referred to in the Other Matters paragraph, the Holding company and its subsidiaries incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to the financial statements of subsidiaries namely Morepen Devices Limited, Morepen Rx Ltd., (Indian Subsidiaries) and Morepen Bio Inc. [earlier Morepen Inc.], Morepen Labs FZCO & Morepen Medical Equipment Trading L.L.C (Foreign Subsidiaries), is based solely on the reports of the auditors of such entities.

Further, Total Care Limited has been considered only up to July 31, 2025, based on the report of the auditor of the said entity.

For S.P. Babuta & Associates
Chartered Accountants
F. No. 007657N

CA S.P. Babuta
Managing Partner
FCA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. : 086348
UDIN : 26086348VEAFAE6321

Date :26th May, 2026
Place :Gurugram, Haryana

Consolidated Balance Sheet

As at 31st March, 2026

(₹ in Lakhs)

	Note No.	As at 31.03.2026	As at 31.03.2025
A. ASSETS			
1. NON CURRENT ASSETS			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	2	38116.03	31651.03
Capital Work in Progress	2	2155.14	2834.05
Goodwill	2	-	7447.42
Right of Use of Assets	2	1288.32	2548.31
Other Intangible Assets	2	11896.03	7204.29
Financial Assets :			
Investments	3	10128.67	717.42
Loans	4	8.30	14.32
Other Financial Assets	5	755.44	777.01
Other Non-Current Assets	6	12902.67	8678.91
		77250.60	61872.76
2. CURRENT ASSETS			
Inventories	7	27182.63	29996.50
Financial Assets :			
Investments	3	2287.32	7780.68
Trade Receivables	8	33313.75	32476.34
Cash and Cash Equivalents	9	3118.97	2738.12
Bank Balances other than Cash and Cash Equivalents	10	3763.65	2197.93
Loans	4	45.51	47.96
Other Financial Assets	11	1597.55	1125.63
Other current assets	12	45052.03	39574.01
		116361.41	115937.17
TOTAL		193612.01	177809.93
B. EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share Capital	13	10958.41	10958.41
Other Equity		113685.46	104664.66
		124643.87	115623.07
2. MINORITY INTEREST	14	65.11	3072.68
3. NON CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	15	13360.06	2575.81
Lease Liabilities	16	426.08	1348.41
Other Financial liabilities	17	316.90	442.18
Deferred Tax Liabilities (Net)	34	1645.88	697.66
Provisions	18	4123.90	3984.76
		19872.82	9048.82
4. CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	15	6108.99	5363.46
Lease Liabilities	16	890.39	1221.84
Trade Payables	19	31723.80	36330.31
Other Financial liabilities	20	3532.20	3028.60
Other Current Liabilities	21	3810.95	2161.35
Provisions	18	2963.88	1959.80
		49030.21	50065.36
TOTAL		193612.01	177809.93
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-41		

As per our separate report of even date

For & on behalf of the Board of Directors of Morepen Laboratories Limited

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Praveen Kumar Dutt)
Director
DIN : 06712574

(CA S.P. Babuta)
Partner
Membership No. 086348
UDIN : 26086348VEAFAE6321

(Ajay Kumar Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

Place : Gurugram, Haryana
Date : 26th May, 2026

Consolidated Statement of Profit and Loss

For the Year Ended 31st March, 2026

(₹ in Lakhs)

	Note No.	Year Ended 31.03.2026	Year Ended 31.03.2025
REVENUE			
Revenue from operations (Net)	23	180569.15	181157.58
Other Income	24	2131.41	1836.37
Total Income (I)		182700.56	182993.95
EXPENSES			
Cost of Materials Consumed	25	104310.57	99918.31
Purchases of Stock-in-Trade		8246.05	20724.66
Changes in inventories of Finished goods Work-in-progress and Stock-in-Trade		(214.97)	(4712.25)
Employee Benefits Expense	26	23273.94	20891.39
Finance Cost	27	1641.37	834.29
Depreciation and Amortization Expense	2	3643.47	2898.17
Other Expenses	28	32390.67	26928.44
Total Expenses (II)		173291.10	167483.01
Profit before exceptional items and tax		9409.46	15510.94
Exceptional Items - Income/(Expense)		2582.54	-
Profit before Tax		11992.00	15510.94
Tax Expense			
Current Tax		1592.87	3236.69
Earlier periods Tax		(13.15)	-
Deferred Tax	34	847.63	472.71
Total Tax Expense		2427.35	3709.40
Net Profit for the Year (III)		9564.65	11801.54
Share of minority interest in Profit/ (loss)		76.97	(0.50)
Profit for the year available for majority shareholders		9487.68	11802.04
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss -			
Fair value changes on Equity Instruments through OCI		709.83	-
Re-measurement gain/(loss) on Defined Benefit Plans		9.69	25.05
Income tax relating to items that will not be reclassified		(100.59)	(5.80)
		618.93	19.25
Exchange differences on translation of foreign operations		(0.02)	6.12
		618.91	25.37
Total Comprehensive Income		10106.59	11827.41
Earning per equity share (Face Value of ₹2/- each)			
Basic & Diluted	32	1.73	2.20
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-41		

As per our separate report of even date

For & on behalf of the Board of Directors of Morepen Laboratories Limited

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Praveen Kumar Dutt)
Director
DIN : 06712574

(CA S.P. Babuta)
Partner
Membership No. 086348
UDIN : 26086348VEAFAE6321

(Ajay Kumar Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

Place : Gurugram, Haryana
Date : 26th May, 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March, 2026

A. EQUITY SHARE CAPITAL

As at 31st March, 2026 (₹ in Lakhs)

Balance as at 1st April, 2025	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Change in equity share capital during the year	Balance as at 31st March, 2026
10958.41	–	10958.41	–	10958.41

As at 31st March, 2025

Balance as at 1st April, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Change in equity share capital during the year	Balance as at 31st March, 2025
10222.71	–	10222.71	735.70	10958.41

B. OTHER EQUITY

As at 31st March, 2026

(₹ in Lakhs)

	RESERVES & SURPLUS							
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	Exchange differences on translation of foreign operation	Total Other Equity
Balance as at 1st April, 2025	2145.40	7623.33	55316.20	40419.23	-	(868.67)	29.17	104664.66
Dividend paid during the year *	-	-	-	(1085.79)	-	-	-	(1085.79)
Profit for the year	-	-	-	7014.73	-	-	-	7014.73
Gain on loss of control of subsidiary**	-	-	-	2472.95	-	-	-	2472.95
Remeasurement of the net defined benefit liability / asset (Net)	-	-	-	-	-	10.61	-	10.61
Exchange differences on translation of foreign operations	-	-	-	-	-		(0.02)	(0.02)
Equity instruments through other comprehensive income (Net)	-	-	-	-	608.32	-	-	608.32
Balance as at 31st March, 2026	2145.40	7623.33	55316.20	48821.12	608.32	(858.06)	29.15	113685.46

OTHER EQUITY

As at 31st March, 2025 (₹ in Lakhs)

	RESERVES & SURPLUS						
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Other items of other comprehensive income	Exchange differences on translation of foreign operations	Total Other Equity
Balance as at 1st April, 2024	2145.40	7623.33	36978.86	28617.19	(887.92)	23.05	74499.91
Securities Premium received during the year	-	-	19264.30	-	-	-	19264.30
Share issue expenses	-	-	(926.96)	-	-	-	(926.96)
Profit for the year	-	-	-	11802.04	-	-	11802.04
Other comprehensive income/(loss) for the year	-	-	-	-	19.25	6.12	25.37
Balance as at 31st March, 2025	2145.40	7623.33	55316.20	40419.23	(868.67)	29.17	104664.66

* During the year, the company paid a final dividend of ₹0.20 per equity share aggregating to ₹1085.79 Lakhs, in respect of the financial year ended March 31, 2025, as approved by the shareholders at the Annual General Meeting. The dividend has been adjusted against retained earnings.

**₹2472.95 Lakhs represents the net gain recognised in the statement of Profit & Loss on the Company ceasing to exercise control over Dr. Morepen Limited ("DML") with effect from 31 July 2025, consequent to the comapny's shareholding in DML reducing from 80.00% to 19.94% during the year.

SIGNIFICANT ACCOUNTING POLICIES 1

NOTES ON FINANCIAL STATEMENTS 2-41

As per our separate report of even date

For & on behalf of the Board of Directors of Morepen Laboratories Limited

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Praveen Kumar Dutt)
Director
DIN : 06712574

(CA S.P. Babuta)
Partner
Membership No. 086348
UDIN : 26086348VEAFAE6321

(Ajay Kumar Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

Place : Gurugram, Haryana
Date : 26th May, 2026

Consolidated Cash Flow Statement

For the Year Ended 31st March, 2026

(₹ in Lakhs)

		Note No.	Year Ended 31.03.2026	Year Ended 31.03.2025
A.	CASH FLOWS FROM OPERATING ACTIVITIES :			
	Profit before Tax		11992.00	15510.94
	Adjustments for :			
	Depreciation & Amortisation	2	3643.47	2898.17
	Provision for Employee benefit & fair value changes on Equity Instruments (OCI)		719.52	25.05
	Loss on sale of Property, Plant & Equipments	2	0.90	15.17
	Gain on loss of control in subsidiary		(2472.95)	-
	Profit on sale of investments		(109.59)	-
	Exchange differences on translation of a foreign operation		(0.02)	6.12
	Finance Cost (Net)	27	1641.37	834.29
	Minority Interest	14	(76.97)	0.50
	Operating Profit before changes in Current Assets and Liabilities		15337.73	19290.24
	Changes in Current Assets and Liabilities -			
	Trade Receivables	8	(5012.40)	17.47
	Loans, Bank balance other than cash & Cash equivalent and other Current Assets	4,10,11,12	(9263.09)	(13088.87)
	Inventories	7	1756.46	(5137.08)
	Current Liabilities	18,19,20,21	2973.44	5839.11
	Cash generated from operations		5792.14	6920.87
	Income Tax (Net)		(2527.94)	(3715.20)
	NET CASHFLOW - OPERATING ACTIVITIES		3264.20	3205.67
B.	CASH FLOWS - INVESTING ACTIVITIES:			
	Purchase of Property, Plant & Equipments	2	(8552.33)	(12403.31)
	Purchase/Addition of Intangibles (Including Right of Use of Assets)	2	(7501.95)	(9020.35)
	Proceeds from Sale of Property, Plant & Equipments	2	105.40	5.06
	Sales/(Purchase) of Investments (Net)	3	4874.32	(8367.99)
	Sale of investment in Subsidiary		3064.59	-
	Investment in Other Non-Current Assets	4,5,6	(4331.63)	(2364.07)
	NET CASHFLOW - INVESTING ACTIVITIES		(12341.60)	(32150.66)
C.	CASH FLOWS FROM FINANCING ACTIVITIES:			
	Finance Cost	27	(1641.37)	(834.29)
	Proceeds from Borrowings - Non-Current (inculding current maturities)	15	13178.18	3118.36
	Repayments of Borrowings - Non-Current (inculding current maturities)	15	(732.27)	(333.50)
	Borrowings - Current (Net)	15	(908.47)	2254.49
	Dividend Paid		(1085.79)	-
	Change in Lease Liabilities	16	(568.03)	2570.25
	Proceeds from issue of shares under QIP (Net of Share Issue Expenses)		-	19073.04
	Change in Minority Interest	14	126.96	3072.68
	Change in Other Non- Current Liabilities & Provisions (Net)	17,18,34	1370.56	1067.57
	NET CASHFLOW - FINANCING ACTIVITIES		9739.77	29988.60
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		662.37	1043.61
	Cash and Cash Equivalents as at Beginning of the Year		2738.12	1694.51
	Reduction in Cash and Cash Equivalents on account of loss of control of subsidiary		(281.52)	-
	Cash and Cash Equivalents as at End of the Year		3118.97	2738.12
	Bank Balances other than Cash and Cash Equivalents		3763.65	2197.93
	Components of cash and cash equivalents as on end of the period			
	Balance with Banks		3095.47	2727.35
	Cash in hand		23.50	10.77
			3118.97	2738.12
	SIGNIFICANT ACCOUNTING POLICIES	1		
	NOTES ON FINANCIAL STATEMENTS	2-41		

As per our separate report of even date

For & on behalf of the Board of Directors of Morepen Laboratories Limited

For S.P. Babuta & Associates Chartered Accountants Firm Regn. No. 007657N	(Sushil Suri) Chairman & Managing Director DIN : 00012028	(Praveen Kumar Dutt) Director DIN : 06712574
(CA S.P. Babuta) Partner Membership No. 086348 UDIN : 26086348VEAFAE6321	(Ajay Kumar Sharma) Chief Financial Officer	(Vipul Kumar Srivastava) Company Secretary Membership No. F-12148

Place : Gurugram, Haryana
Date : 26th May, 2026

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Company Overview

Morepen Laboratories Limited ("the Company") is a Public limited company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company has its manufacturing locations situated in the state of Himachal Pradesh with trading and other incidental and related activities extending to both domestic and global markets. The Company is in the business of manufacturing, producing, developing, marketing and distribution of a wide range of Active Pharmaceutical Ingredients (APIs), branded and generic formulations, Over the Counter (OTC) products and the Home Health products.

1.1 Basis for preparation of financial statements

The consolidated financial statements of the Company as at and for the year ended 31st March, 2026 have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time, and other relevant provisions of the Act and accounting principles generally accepted in India. These standalone financial statements have been prepared by the Company on a going concern basis. and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The subsidiaries are consolidated from the date control is obtained. The consolidated financial statements consist of financial statements of Morepen Laboratories Ltd. (parent company) and its seven subsidiaries namely Morepen Rx Ltd., Morepen Devices Ltd., Morepen Medipath Ltd. (formerly Morepen Medtech Ltd.), Sigmacheck Health Private Limited and Morepen Bio Inc. [earlier Morepen Inc.], Morepen Labs - FZCO, Morepen Medical Equipment Trading LLC (Foreign Company). Also three ceased to be subsidiaries of Morepen Laboratories Limited w.e.f. 31st July 2025 namely Dr. Morepen Ltd., Total Care Ltd., Quick Med Private Ltd. (Domestic Companies). Financial statements of foreign subsidiaries have been recasted for the purpose of consolidation.

The names of subsidiary companies included in consolidation and parent company's holding therein are as under-

Subsidiary Company	Country of Incor-poration	Percentage of Holding (%)
Morepen Rx Ltd.	India	100
Morepen Devices Ltd.	India	100
Morepen Bio Inc.	U.S.A.	100
Morepen Labs FZCO	UAE	100
Morepen Medipath Ltd. (formerly Morepen Medtech Ltd.)	India	60
Morepen Medical Equipment Trading LLC	UAE	60*

*(The Company holds an effective interest of 60% in Morepen Medical Equipment Trading LLC through its 60% shareholding in Morepen Medipath Ltd., which in turn holds 100% of the equity in Morepen Medical Equipment Trading LLC)

Sigmacheck Health Private Limited India 60*

*(The Company holds an effective interest of 60% in Sigmacheck Health Private Limited through its 60% shareholding in Morepen Medipath Ltd., which in turn holds 100% of the equity in Sigmacheck Health Private Limited)

Dr. Morepen Ltd.	India	80**
Total Care Ltd.	India	76**
Quick Med Private Ltd.	India	64**

(Ceased to be subsidiary of Morepen Laboratories Limited w.e.f. 31st July 2025.)

The financial statements for the financial year ended March 31, 2026 are authorized for issue by the Board of Directors of the Company at their meeting held on May 26, 2026.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest Lakhs (Rs.00,000) upto two decimals, except when otherwise indicated.

Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

Operating Cycle

Based on the nature of products/activities of the company and normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.2 Use of Estimates and Judgements

The presentation of financial statements in conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, disclosures of contingent assets and liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provisions for income taxes, useful life of depreciable assets and provisions for impairments & others.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

1.3. Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

a) Free hold land is carried at cost, it has an unlimited useful life and therefore is not depreciated. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected significant costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

b) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

c) Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

d) The cost of PPE and related accumulated depreciation are de-recognised from the financial statements upon sale or disposal or when no future economic benefits are expected from its use and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell. Any control software for a machine is shown under plant & machinery.

1.4 Intangible Assets

Internally generated Intangible Assets - Research and Development expenditure

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset and/or benefits are expected over more than one period, otherwise such expenditure is charged to the Statement of Profit and Loss.

An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- Development costs can be measured reliably;
- The product or process is technically and commercially feasible;
- Future economic benefits are probable; and
- The Company intends to and has sufficient resources/ability to complete development and to use or sell the asset.

Expenditure providing benefits for more than one period is amortised proportionately over the periods during which benefits are expected to occur.

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

1.5 Non-Current Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of carrying amount and fair value less costs to sell. An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. Non-current assets and the assets of disposal group classified as held for sale are presented separately from the other assets in the consolidated balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from the other liabilities in the consolidated balance sheet. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated.

1.6 Depreciation & Amortisation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

a) Depreciation on fixed assets is provided on straight-line method at the rates prescribed by the schedule II of the Companies Act, 2013 and in the manner as prescribed by it except assets costing less than Rs. 5000/- on which depreciation is charged in full during the year.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives are as follows:

Property, plant and equipment	Useful Life (Years)
Buildings - Factory and Administrative Buildings	30-60
Plant and equipment	20
Furniture, fixtures and office equipment	5-10
Vehicles	8
Computers	3

b) Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of an identifiable intangible asset is based on several factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

1.7 Valuation of inventories

Stocks of raw materials and other ingredients have been valued on First in First Out (FIFO) basis, at cost or net realizable value whichever is less, finished goods and stock-in-trade have been valued at lower of cost and net realizable value, work-in-progress is valued at raw material cost up to the stage of completion, as certified by the management on technical basis. Goods in transit are carried at cost.

1.8 Foreign Currency Transactions / Translations

i) Transactions denominated in foreign currency are recorded to the functional currency of the Company at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.

ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

iii) Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

iv) Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

v) In case of long-term monetary items outstanding as at the end of year, exchange differences arising on settlement / restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

1.9 Dividends

Dividends are recognized as liability in the financial statements in the period in which they are appropriately authorized and no longer at the discretion of the company. For interim dividends, this is typically the date of approval by the Board of Directors. For final dividends, liability is recognized upon approval by the shareholders at the Annual General Meeting.

Proposed dividends that are declared after the reporting date are not recognized as a liability at the end of the reporting period but are disclosed in the notes to the financial statements in accordance with Ind AS-10 'Events occurring after reporting period'

Dividends are distributed from retained earnings and are subject to the availability of sufficient distributable profits and liquidity. All dividend payments are made in compliance with applicable legal and regulatory requirements.

2.0 Right-of-use (RoU) of Asset and Lease liabilities

The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ('ROU') and a corresponding lease liability. Right-of-use of assets are initially measured at cost, which comprises the amount of initial lease liability, any lease payments made at or before the commencement date, less any lease incentive received, any initial direct costs incurred and an estimate of the costs to dismantle or restore the asset. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. However, if the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset

Lease liabilities are initially measured at the present value of future lease payments over the lease term, discounted using the interest rate implicit in the lease, or if it cannot be readily determined, the Company's incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using effective interest rate and are remeasured when there is a change in future lease payments arising from change in index or rate, a reassessment of options, or a modification of the lease.

The Company has elected not to recognize RoU assets and lease liabilities for leases with a lease term of 12 months or less (short-term leases) and for leases of low-value assets. Lease payment for such leases is recognized as an expense on a straight-line basis over the lease term.

2.1 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

ii) Subsequent measurement

a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

d) Investments in subsidiaries, joint ventures and associates

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

e) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset, and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

2.2 Impairment of Assets

i) Financial Assets

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Non-Financial Assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.3 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

a) Revenue is recognised at the value of consideration received or receivable. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. The amount disclosed as revenue is net of returns, trade discounts, Goods and Services Tax (GST).

   Provisions for rebates, discount and return are estimated and provided for in the year of sales and recorded as reduction of revenue.

b) Dividend income is accounted for when the right to receive the income is established.

2.4 Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.5 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Pursuant to Taxation Laws (Amendment) Ordinance 2019, the company has opted to pay Income Tax as provided under Section 115BAA of the Income Tax Act, 1961.

2.6 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.7 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.8 Commitments

Commitments represent contractual obligations that are not recognised as liabilities as at the reporting date but are disclosed in the notes to accounts.

Capital commitments include the amount of contracts remaining to be executed on capital account and not provided for.

Other commitments, including commitments towards investments, are disclosed in the notes to accounts and are recognised when the underlying obligation is crystallised or called upon, in accordance with the terms of the respective agreements.

2.9 Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as at beginning of the period, unless they have been issued at a later date.

3.0 Employee Retirement benefits

i) Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

ii) Post - employment benefits

Defined contribution plans -

Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans -

Gratuity

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity payment plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation while in employment or on termination of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. Re-measurements comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods.

iii) Long - term employee benefits

Leave Encashment

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

3.1 Segment Reporting

The company operates in one reportable business segment i.e. "Pharmaceuticals".

3.2 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2026

2. I) PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				CARRYING VALUE	
	As at 01.04.2025	Additions	#Disposals/ Adjustments	As at 31.03.2026	As at 01.04.2025	For the year	#Deductions/ Adjustments	As at 31.03.2026	As at 31.03.2026	As at 31.03.2025
Land	2326.88	-	-	2326.88	-	-	-	-	2326.88	2326.88
Buildings	11226.08	1771.25	-	12997.33	4514.75	275.76	-	4790.51	8206.82	6711.33
Plant & Machinery	40966.96	6467.88	3673.20*	43761.64	20816.04	1354.83	3598.72	18572.15	25189.49	20150.92
Furnitures & Fixtures	1492.36	48.12	48.16*	1492.32	665.13	106.78	43.95	727.96	764.36	827.23
Vehicles	2323.92	231.64	182.46	2373.10	902.42	230.97	173.77	959.62	1413.48	1421.50
Office Equipments	892.89	117.55	99.28*	911.16	679.72	96.80	80.36	696.16	215.00	213.17
Total	59229.09	8636.44	4003.10	63862.43	27578.06	2065.14	3896.80	25746.40	38116.03	31651.03
Previous Year	47460.62	12014.44	(245.97)	59229.09	26140.21	1668.38	(230.53)	27578.06	31651.03	
II) CAPITAL WORK IN PROGRESS										
Buildings	1695.91	246.34	560.29	1381.96	-	-	-	-	1381.96	1695.91
Plant & Machinery	970.31	47.94	265.72	752.53	-	-	-	-	752.53	970.31
Furniture & Fixture	-	6.59	-	6.59	-	-	-	-	6.59	-
Research & Development	52.12	-	52.12	-	-	-	-	-	-	52.12
Electrical Installation	115.71	-	101.65	14.06	-	-	-	-	14.06	115.71
Total	2834.05	300.87	979.78	2155.14	-	-	-	-	2155.14	2834.05
Previous Year	2445.18	2781.93	(2393.06)	2834.05	-	-	-	-	2834.05	
III) GOODWILL										
Goodwill	7447.42	-	7447.42	-	-	-	-	-	-	7447.42
Total	7447.42	-	7447.42	-	-	-	-	-	-	7447.42
Previous Year	7447.42	-	-	7447.42	-	-	-	-	7447.42	
IV) RIGHT OF USE OF ASSETS										
Right to use Assets	3728.33	463.92	1074.67	3117.58	1180.02	1054.15	404.91	1829.26	1288.32	2548.31
Total	3728.33	463.92	1074.67	3117.58	1180.02	1054.15	404.91	1829.26	1288.32	2548.31
Previous Year	28.23	3708.11	(8.01)	3728.33	-	1180.02	-	1180.02	2548.31	
V) INTANGIBLE ASSETS										
Computer Software	335.45	33.68	-	369.13	288.41	18.53	-	306.94	62.19	47.04
Customer Acquisition Cost	7008.03	4785.34	4613.53	7179.84	2474.70	-	2474.70	-	7179.84	4533.33
Dr. Morepen Sync	32.02	37.28	-	69.30	0.03	16.75	-	16.78	52.52	31.99
Product Development Cost	2364.25	2707.80	-	5072.05	0.17	482.73	12.33	470.57	4601.48	2364.08
Patents & Trade Marks	2693.63	-	2693.63	-	2465.78	6.17	2471.95	-	-	227.85
Total	12433.38	7564.10	7307.16	12690.32	5229.09	524.18	4958.98	794.29	11896.03	7204.29
Previous Year	7126.24	5320.26	(13.12)	12433.38	5187.65	49.77	(8.33)	5229.09	7204.29	
GRAND TOTAL										
Current year	85672.27	16965.33	20812.13	81825.47	33987.17	3643.47	9260.69	28369.95	53455.52	51685.10
Previous Year	64507.69	23824.74	(2660.16)	85672.27	31327.86	2898.17	(238.86)	33987.17	51685.10	

Notes -
1) Product Development cost represents amount spent on development on formulation products. 2) * Old machinery and other fixed assets no longer in use have been, written off, derecognised during the year. 3) # Represents disposals of property, plant and equipment, including derecognition of assets pursuant to deconsolidation of a subsidiary on 31 July 2025. The gross block and accumulated depreciation relating to such subsidiary have been removed from the consolidated financial statements with effect from the date of divestment. 4) The carrying value of goodwill, amounting to Rs. 7442.42 Lakhs originally recognised on the acquisition of equity in Dr. Morepen Limited ("DML"), has been derecognised during the year consequent to DML, ceasing to be a subsidiary of the Company with effect from 31 July 2025

(₹ in Lakhs)

	Current		Non Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
3. INVESTMENTS (Non-Current)				
A. Investment in Equity Instruments (Unquoted)				
At Cost				
ICB International Inc.	-	-	576.59	576.59
1,35,000 shares of common stock				
Investments measured at fair value through Other Comprehensive Income (FVOCI)				
Dr. Morepen Limited *	-	-		-
2,53,79,500 (Previous Year 4,06,79,500) Equity shares of ₹10/- each fully paid up			9502.08	
	-	-	10078.67	576.59
B. Investments measured at Fair Value through Profit or Loss (FVTPL)				
I. In Mutual Funds — Quoted				
(a) Equity-oriented schemes- at FMV				
Aggregate Fair Market Value	244.52	1555.54	-	140.83
(b) Debt-oriented / Liquid / Money Market schemes — at FMV				
Aggregate Fair Market Value	2042.80	6225.14	-	-
Sub-total — Quoted Mutual Funds at FVTPL	2287.32	7780.68	-	140.83
II. In Alternative Investment Funds - Unquoted				
50 Units (PY - Nil) Sundaram Alternates – Real Estate				
Performing Credit Income Generator Fund (Category II AIF)	-	-	50.00	-
Sub-total-Unquoted AIF at FVTPL	-	-	50.00	-
Total Investments at FVTPL (B.I + B.II)	2287.32	7780.68	50.00	140.83
	2287.32	7780.68	10128.67	717.42
Aggregate book value (carrying amount) of Quoted investments	2174.37	7780.68	-	140.83
Aggregate market value of Quoted investments	2287.32	7986.86	-	150.28
Aggregate carrying amount of Unquoted investments	-	-	10128.67	576.59
Aggregate amount of impairment in value of investments	-	-	-	-
Cumulative unrealised fair value gain recognised in P&L	112.95	-	-	-

(₹ in Lakhs)

	Current		Non Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Investments carried at cost	-	7780.68	576.59	717.42
Investments carried at fair value through other comprehensive income	-	-	9502.08	-
Investments carried at fair value through profit or loss	2287.32	-	50.00	-
Previous Year: carried at Cost				

* During the year, consequent to issuance of fresh shares by Dr. Morepen Limited ("the investee company") and partial divestment of the company's holding in the investee company, the company's ownership in the investee company has come down to 19.94%, against 80.00% held in previous financial year. Dr. Morepen Limited ceased to be a subsidiary of the company with effect from July 31, 2025 and there is no policy participation and no material transactions. The retained investment has been classified as a financial asset and is measured at fair value in accordance with Ind AS 109 – Financial Instrumentsmeasured at FVOCI irrevocably at initial recognition being strategic, long-term, not held for trading. The company has recognised a net gain on loss of control amounting to ₹2,582.54 lakhs in the consolidated statement of profit and loss, which has been presented as an exceptional item. The gain includes the effect of consideration received on partial divestment of ₹109.59 lakhs and the remeasurement of the retained investment, in accordance with Ind AS 110 – Consolidated Financial Statements.

During the year, the Holding Company incorporated MOREPEN LABS FZCO, Dubai, UAE, as a wholly-owned subsidiary, with an authorised and issued share capital of 5,000 shares of AED 10 each, aggregating AED 50,000, fully subscribed by the Holding Company. The share capital remained unpaid as at 31 March 2026. The subsidiary carried out business operations, and has assets or liabilities including the subscribed share capital receivable from the Holding Company, which is eliminated on consolidation as at the reporting date. The financial statements of the subsidiary have been consolidated with effect from the date of incorporation in accordance with Ind AS 110 'Consolidated Financial Statements'. The share capital amount remaining unpaid as at March 31, 2026, has been duly paid up by the company before balance sheet signing date.

4. LOANS

(₹ in Lakhs)

	Current		Non Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Secured				
(Unsecured, considred good)				
Loans to Employees	45.51	47.96	8.30	14.32
	45.51	47.96	8.30	14.32

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
5. OTHER FINANCIAL ASSETS - NON CURRENT		
Security Deposits	755.44	777.01
	755.44	777.01
6. OTHER NON CURRENT ASSETS		
Unsecured		
Capital Advances (Considered good) *	12875.23	8656.17
Leasehold Land Prepayments	22.76	19.45
Prepaid (Deferred) Expenses for Employee Benefit	4.68	3.29
	12902.67	8678.91
7. INVENTORIES		
Raw Materials	14096.45	15576.70
Work-in-progress	4443.96	5861.95
Finished goods	6562.14	5387.82
Stock -in-trade	1139.23	1636.68
Goods in transit	443.17	974.59
Stores and spares	497.68	558.76
	27182.63	29996.50

The inventory of stocks, stores and spares has been taken, valued and certified by the management.

	As at 31.03.2026	As at 31.03.2025
8. TRADE RECEIVABLES		
Unsecured -		
Considered good	33230.49	32255.37
Considered doubtful	198.27	589.89
	33428.76	32845.26
Less: Allowance for bad & doubtful debts	115.01	368.92
	33313.75	32476.34

Ageing of Trade Receivables (2025-26)	< 6 months	6 months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	32231.35	690.50	233.27	72.15	3.22	33230.49
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Having significant increase in credit risk	-	-	43.82	75.43	79.02	198.27
- Credit impaired	-	-	-	-	-	-
Total Receivables	32231.35	690.50	277.09	147.58	82.24	33428.76

Ageing of Trade Receivables (2024-25)	< than 6 months	6 months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	31768.46	382.11	95.18	2.12	7.49	32255.36
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Having significant increase in credit risk	49.66	36.34	214.97	57.28	231.65	589.90
- Credit impaired	-	-	-	-	-	-
Total Receivables	31818.12	418.45	310.15	59.40	239.14	32845.26

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
9. CASH AND CASH EQUIVALENTS		
Balances with banks		
Current Accounts	3095.47	2727.35
Cash in hand	23.50	10.77
	3118.97	2738.12
10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Term Deposit - Towards Margin Money & Security against Overdraft, Bills discounting and LC facilities	3712.36	2169.24
Guarantees	51.29	28.69
	3763.65	2197.93

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
11. OTHER FINANCIAL ASSETS - CURRENT		
Security Deposits	1300.49	893.36
Interest accrued but not due	94.12	116.63
Export Incentives Receivable	202.94	115.64
	1597.55	1125.63
12. OTHER CURRENT ASSETS		
Unsecured considered good, unless otherwise stated		
Advances with Suppliers & Others*	24567.60	25735.79
Leasehold Land Prepayments	1.83	5.13
Balance with Government Authorities	9982.17	6779.26
Advances to Employees	147.70	140.58
Prepaid Expenses	10352.73	6913.25
	45052.03	39574.01

* Includes

Sum of Rs. 570.41 Lakhs paid to fixed deposit holders towards cancellation of 50,62,872 no. of Equity Shares. (Refer Note No. 13 G)

13. SHARE CAPITAL

A. Equity Share Capital

	As at 31.03.2026		As at 31.03.2025	
	No. of Shares	Amount (₹/Lakhs)	No. of Shares	Amount (₹/Lakhs)
Authorised				
Equity Shares of ₹2/- each	1000000000	20000.00	1000000000	20000.00
Issued and Subscribed				
Equity Shares of ₹2/- each	547953699	10959.07	547953699	10959.07
Paid up				
Equity Shares of ₹2/- each	547953699	10958.41	547953699	10958.41

(33000 Shares not paid up)

Reconcilation of the numbers and amount of Equity shares -

For the year ended	As at 31.03.2026		As at 31.03.2025	
	No. of Shares	Amount (₹/Lakhs)	No. of Shares	Amount (₹/Lakhs)
Outstanding at beginning of the year	547953699	10958.41	511168708	10222.71
Add : Shares issued during the year	-	-	36784991	735.70
Outstanding at the end of year	547953699	10958.41	547953699	10958.41

Shares held by promoters at the end of the year		As at 31.03.2026		As at 31.03.2025	
S. No.	Name of the promoter	No. of shares held	% of shareholding	No. of shares held	% of shareholding
1	KANTA SURI	1510	0.00%	1510	0.00%
2	RAJAS SURI (KB SURI SONS HUF)	972830	0.18%	972830	0.18%
3	SANJAY SURI (SANJAY SURI SONS HUF)	2100000	0.38%	2100000	0.38%
4	PRADUMAN LAL SURI HUF	2990	0.00%	2990	0.00%
5	SUSHIL SURI (SUSHIL SURI SONS HUF)	1201560	0.22%	1201560	0.22%
6	ANUBHAV SURI (ARUN SURI SONS HUF)	1500000	0.27%	1500000	0.27%
7	MAMTA SURI	3004000	0.55%	3004000	0.55%
8	SONIA SURI	3679718	0.67%	3679718	0.67%
9	SANJAY SURI	3417240	0.62%	3417240	0.62%
10	P.L. SURI	400000	0.07%	400000	0.07%
11	ANJU SURI	5186369	0.95%	5186369	0.95%
12	SUSHIL SURI	5501510	1.00%	5501510	1.00%
13	SUNITA SURI	3192240	0.58%	3192240	0.58%
14	SHALU SURI	2052250	0.37%	2052250	0.37%
15	VARUN SURI	3052357	0.56%	3052357	0.56%
16	ANUBHAV SURI	782134	0.14%	782134	0.14%
17	SARA SURI	705000	0.13%	705000	0.13%
18	GULFY SURI	1150000	0.21%	1150000	0.21%
19	AANCHAL SURI	685922	0.13%	685922	0.13%
20	RAJAS SURI	155000	0.03%	155000	0.03%
21	MASTER ARJUN SURI	697060	0.13%	697060	0.13%
22	KANAK SURI	997060	0.18%	997060	0.18%
23	AANANDI SURI	750000	0.14%	750000	0.14%
24	AAKRITI SURI	55000	0.01%	55000	0.01%
25	BROOK INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15159252	2.77%	15159252	2.77%
26	CONCEPT CREDITS AND CONSULTANTS PRIVATE LTD.	15347724	2.80%	15347724	2.80%
27	EPITOME HOLDINGS PRIVATE LTD.	14500820	2.65%	14500820	2.65%
28	LIQUID HOLDINGS PRIVATE LTD.	5003000	0.91%	5003000	0.91%
29	MID MED FINANCIAL SERVICES AND INVESTMENTS PRIVATE LTD.	14973813	2.73%	14973813	2.73%
30	REACT INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	14942134	2.73%	14942134	2.73%
31	SOLITARY INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15114045	2.76%	15114045	2.76%
32	SQUARE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	14102075	2.57%	14102075	2.57%
33	SOLACE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LTD.	15082790	2.75%	15082790	2.75%
34	SEED SECURITIES AND SERVICES PRIVATE LTD.	14328780	2.61%	14328780	2.61%
35	SCOPE CREDITS AND FINANCIAL SERVICES PRIVATE LTD.	15575405	2.84%	15575405	2.84%
	TOTAL	195371588	35.65%	195371588	35.65%

B. Shareholders holding more than 5% shares -

Equity Shares

Name of Shareholder	As at 31.03.2026		As at 31.03.2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pinfold Overseas Ltd.	38,530,000	7.03%	38,530,000	7.03%

C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption -

i) The equity shares of the company are having a par value of ₹2/- each. Every member of the Company holding equity shares shall be entitled to vote on every resolution placed before the Company and his voting rights on any poll shall be in proportion to his share in the paid-up equity share capital of the company.

ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company as per preference prescribed under the Act. The distribution will be in the proportion of the number of equity shares held by each shareholder.

D. During last 5 years immediately preceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash.

E. Disclosure about unpaid calls - (₹in Lakhs)

Unpaid Calls	31.03.2026	31.03.2025
By Directors & Officers	–	–
By Others	0.66	0.66

F. No shares have been forfeited by the company during the year.

G. In terms of Hon'ble National Company Law Tribunal ('NCLT') order dated 12.03.2018, the company sent notices to all the eligible FD holders seeking, their bank account details and identification particulars, for transfer of Fixed Deposit (FD) dues in their respective bank accounts. In all 4953 no. of fixed deposit holders submitted their identification and bank account particulars and surrendered a total of 50,62,872 Equity Shares for cancellation, with the company. All these FD holders who provided their bank account details, identification particulars and other relevant details, were paid their entire FD dues as per Hon'ble NCLT order dated 12.03.2018. The necessary information in this regard to payment of FD dues were duly submitted to the jurisdictional Registrar of Companies.

Post reconciliation of equity shares surrendered by eligible Fixed Deposit (FD) holders, the number of equity shares identified for cancellation has increased to 50,62,872 instead of earlier 50,38,983 equity shares.

The company has approached BSE Limited (BSE) and National Stock Exchange of India (NSE) for cancellation of aforesaid shares, for which pay-out has been made by the company, in compliance with Hon'ble NCLT's order dated 12.03.2018. As soon as the Stock Exchanges give their go ahead for cancellation of said shares from total listed capital, the resultant reduction of share capital will be updated with the jurisdictional Registrar of Companies.

Necessary accounting entries for the cancellation of equity capital and reversal of reserves and surplus for Rs. 100.78 Lakhs and ₹469.63 Lakhs respectively, will be given effect on the receipt of guidance from stock exchanges and depositories. The total sum of ₹570.41 Lakhs, comprising of debit balance of share capital and reserves & surplus, is appearing under head - other current assets. Aforesaid entries has insignificant impact on EPS and current assets.

H. During the financial year ending March 31, 2025, the company raised funds aggregating to ₹20,000.00 lakhs through a Qualified Institutions Placement (QIP). The net proceeds from the issue, after adjusting share issue expenses of ₹1,092.45 lakhs, amounted to ₹18,907.55 lakhs. During the current year ended March 31, 2026, the Company has utilised the proceeds in accordance with the objects set out in the Placement Document. The utilisation thereof is monitored by the Management and reviewed by the Audit Committee, including reporting to the Monitoring Agency, in compliance with applicable regulatory requirements. There has been no deviation or variation in the utilisation of the proceeds from the stated objects, except for timing differences in deployment.

Details of utilisation of QIP issue proceeds are given below :-

Particulars	Amount as per Placement Document	Total amount utilised upto March 31, 2026	Balance amount as on March 31, 2026	Remarks
1) Funding capital expenditure requirement at the API facility located at Baddi	7380.81	7380.81	-	
2) Funding capital expenditure requirement at the API facility located at Masulkhana	754.73	754.73	-	Refer notes below
3) Funding capital expenditure requirement at the medical devices facility located at Baddi	4143.84	2787.59	1356.25	
4) Working capital requirement	6628.17	6628.17	-	
5) Issue Expenses	1092.45	-	-	
Total	20000.00	17551.3	1356.25	

The amount originally allocated towards working capital in the Placement Document was ₹6435.98 lakh. Pursuant to lower actual issue-related expenses of ₹1092.45 lakh as against the estimated expenses of ₹1284.64 lakh, the resultant savings of ₹192.19 lakh have been utilised towards working capital requirements, thereby revising the allocation to ₹6628.17 lakh.

In addition to the above, the Company has earned income of ₹671.58 lakh on deployment of unutilised funds, comprising interest income and capital gains. Out of such income, an amount of ₹155.47 lakh has been utilised towards capital expenditure in API–Baddi and API–Masulkhana facilities over and above the amounts originally allocated in the Placement Document. The balance income of ₹516.11 lakh remains available for utilisation.

Accordingly, the total unutilised amount, including income earned amouting to ₹516.11 Lakhs, aggregates to ₹1872.35 lakh as at March 31, 2026 (March 31, 2025: ₹7794.57 lakh). Pending utilisation, such funds have been temporarily invested in debt mutual funds. Further, at the end of the year, no amounts are lying in the Monitoring Account and Current Account, respectively (March 31, 2025: ₹3.41 lakh and ₹10.48 lakh, respectively).

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
14. MINORITY INTEREST		
I. Morepen Medipath Limited		
Share Capital		
Capital at the start of the year	22.00	22.00
Fresh share capital subscription during the year	50.00	-
Total share capiatl held by the minority shareholders	72.00	22.00
Share in Profit/(Loss)	(6.89)	(0.73)
Net Minority Share	65.11	21.27
II. Others		
20% Minority Share Capital of Quick Meds Private Limited	1017.19	0.20
Issuance of shares on conversion of warrants by Dr. Morepen Limited	-	1016.99
Other Equity	2033.99	2033.99
Share Capital	3051.18	3051.18
Share in Profit/(Loss)	83.36	0.23
	3134.54	3051.41
Less : Amounts no longer required - entities cease to be subsidiaries*	(3134.54)	-
	-	3051.41
	65.11	3072.68

"During the year, the Company's shareholding in its subsidiary Morepen Medipath Limited (formerly Morepen Medtech Limited) reduced from 80% to 60%, consequent to non-participation by the Company in a rights issue undertaken by the subsidiary. The non-controlling interest correspondingly increased from 20% to 40%. The change, being without loss of control, has been accounted for as an equity transaction in accordance with Ind AS 110."

*During the year, consequent to issuance of fresh shares by Dr. Morepen Limited ("the investee company") and partial divestment of parent (holding company) company's holding in the investee company, the holding company's ownership in the investee company has come down to 19.94%, against 80.00% held in previous financial year. Accordingly, Dr. Morepen Limited ceased to be a subsidiary of the company with effect from July 31, 2025.

15. BORROWINGS*

Long Term

	Current		Non Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Secured				
Term Loans - Vehicles	279.80	216.58	448.69	575.81
Unsecured				
Term Loans **	500.00	500.00	12911.37	2000.00
Other Loans		43.31	-	-
	779.80	759.89	13360.06	2575.81

** Unsecured Loan is secured by the personal guarantee of Mr. Sushil Suri, Chairman and Managing Director of the company.

Short Term		
Secured		
Bank Overdraft and Bill Discounting facility against term deposit made by company	527.60	1274.59
Cash Credit Limit, Working Capital Demand Loan & Demand Loan #	3167.50	3328.98
Current maturities of Long Term Borrowings - Secured Loans	279.80	259.89
Unsecured		
Current maturities of Long Term Borrowings - Unsecured Loans	2134.09	500.00
Total	6108.99	5363.46

During the last financial year, the Company had availed working capital facilities from Kotak Mahindra Bank aggregating to ₹9,900.00 lakhs, secured by charge on assets and guarantees of promoters. During the year ended 31 March 2026, the Company has fully repaid and closed the said facilities. Accordingly, all related charges and guarantees have been released, and there are no outstanding balances as at the reporting date.

* For detailed terms and conditions of borrowings please refer note no. 38

16. LEASE LIABILITIES

	Current		Non Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Lease Liabilities	890.39	1221.84	426.08	1348.41
Total	890.39	1221.84	426.08	1348.41

* For detailed terms and conditions of borrowings please refer note no. 39

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
17. OTHER FINANCIAL LIABILITIES (NON-CURRENT)		
Security Deposits from Business Associates & Others	316.90	442.18
Lease Liabilities	-	-
Advance given Holding Company	-	-
	316.90	442.18

18. PROVISIONS

	Current		Non Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Gratuity	749.20	572.32	3109.48	2989.66
Leave Encashment	370.67	240.22	1014.42	995.10
Income Tax (Net of Tax payments & TDS)	1362.97	725.04	-	-
Others	481.04	422.22	-	-
	2963.88	1959.80	4123.90	3984.76

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
19. TRADE PAYABLES		
Total outstanding dues of micro small and medium enterprises	288.86	73.22
Total outstanding dues of creditors other than micro small and medium enterprises	31434.94	36257.09
	31723.80	36330.31
The principal amount remaining unpaid at the end of the year	288.86	73.22

No interest payment has been made during the year to any micro and small enterprises. The unpaid amount as at 31.03.2026 is for a period of less than 45 days. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Ageing of Trade Payables (2025-26)	1 year	1-2 years	2-3 years	3 years or more	Total
(i) MSME	288.86	-	-	-	288.86
(ii) Others	30262.78	864.43	267.43	40.30	31434.94
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Payables	30551.64	864.43	267.43	40.30	31723.80

Ageing of Trade Payables (2024-25)	1 year	1-2 years	2-3 years	3 years or more	Total
(i) MSME	73.22	-	-	-	73.22
(ii) Others	35670.40	471.01	23.60	92.08	36257.09
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Payables	35743.62	471.01	23.60	92.08	36330.31

	As at 31.03.2026	As at 31.03.2025
20. OTHER FINANCIAL LIABILITIES -CURRENT		
Accrued salaries and benefits	2266.09	1958.24
Interest accrued and due on borrowings	47.92	-
Others	1218.19	1070.36
	3532.20	3028.60
21. OTHER CURRENT LIABILITIES		
Advance Received from Customers	3217.40	1675.07
Direct Taxes	287.64	287.64
Indirect Taxes	2.37	17.30
Others	303.54	181.34
	3810.95	2161.35

(₹ in Lakhs)

	Year Ended 31.03.2026	Year Ended 31.03.2025
22. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
a) **Contingent Liabilities**		
Claims against the Company not acknowledged as debts	91.99	104.18
Guarantees	1333.46	904.84
Other money for which company is contingently liable	32114.62	822.77
(Includes a sum of ₹31736.62 Lakhs towards GST Demand raised by Commissioner, Central GST & Central Excise Commissionerate, Shimla.)	33540.07	1831.79
b) **Other commitments**		
Capital commitments	531.68	1944.45
Commitments towards Alternative Investment Funds	50.00	-
(Total commitment - ₹100 Lakhs)		
	34121.75	3776.24
23. REVENUE FROM OPERATIONS		
Sale of Products		
Domestic	99844.20	109345.59
Exports	80268.87	71027.89
	180113.07	180373.48
Other Operating Revenues		
Export Incentives	412.56	438.54
Others	43.52	345.56
	456.08	784.10
	180569.15	181157.58
24. OTHER INCOME		
Interest Income	134.02	447.23
Notional Interest on Security Deposit & Others	35.33	34.28
Exchange Fluctuation - Income	1792.56	1029.45
Others	169.50	325.41
	2131.41	1836.37
25. COST OF MATERIALS CONSUMED		
Raw Materials	98614.56	95298.33
Packing Materials	5696.01	4619.98
	104310.57	99918.31
26. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	21238.21	18924.44
Contribution to provident fund/ ESI	563.40	540.72
Gratuity and Leave Encashment Expenses	856.16	899.95
Staff Welfare	616.17	526.28
	23273.94	20891.39
27. FINANCE COST		
Interest expense	1369.49	363.98
Interest expense of lease liabilities	159.62	239.51
Processing Fees	33.93	55.75
Interest on delay in deposit of Advance Tax	78.33	175.05
	1641.37	834.29
28. OTHER EXPENSES		
Consumption of Stores and spare parts	3471.64	2636.65
Power and Fuel	4489.72	4062.30
Repairs to buildings	302.09	240.25
Repairs to machinery	811.59	807.35
General Repairs	1389.07	1559.55
Research & Development	536.09	369.37
Quality Control & Testing Charges	1715.60	1588.39

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
Insurance	191.53	247.54
Rent	551.33	293.33
Rates and taxes excluding taxes on income	170.14	117.52
Legal and Professional Expenses	2681.29	1972.70
Travelling Expenses	2332.75	2526.30
Selling and Distribution Expenses	9897.60	7998.63
Miscellaneous Expenses	3850.23	2508.56
	32390.67	26928.44

29. PRIOR PERIOD ITEMS

Expenses include ₹81.77 Lakhs (Previous Year ₹35.97 Lakhs) as expenses (net) relating to earlier years.

30. SEGMENT REPORTING

In accordance with Ind AS-108, "Operating Segment " the Company's business activity falls within a single primary business segment viz. "Pharmaceuticals". The secondary business segment in terms of geographical markets have been recognised as India, USA and rest of world. The segment revenues for the year is as under-

Geographical Segment — Sales Revenues (₹/Lakhs)

	2025-26	2024-25
USA	12070.50	12070.50
Rest of World	68198.37	58957.39
India	99844.20	109345.59
Total	180113.07	180373.48

31. RELATED PARTY DISCLOSURES

Disclosure as required by Indian Accounting Standard "Related Party Disclosures" (Ind AS 24) as notified u/s 133 of Companies Act, 2013 are as under:

Related Parties

1. Subsidiary Companies -

Morepen Bio Inc., USA (Formerly Morepen Inc.)	Overseas Company
Morepen Labs - FZCO	Overseas Company
Morepen Medical Equipment Trading LLC	Overseas Company
Morepen Rx Limited	Domestic Company
Morepen Medipath Limited (Formerly Morepen Medtech Ltd.)	Domestic Company
Morepen Devices Limited	Domestic Company
Sigmacheck Health Private Limited	Domestic Company
Dr. Morepen Limited (till July 31, 2025)	Domestic Company
Quick Med Private Limited (till July 31, 2025)	Domestic Company
Total Care Limited (till July 31, 2025)	Domestic Company

2. Key Management Personnel

Morepen Laboratories Limited
Mr. Sushil Suri, Chairman & Managing Director,
Mr. Sanjay Suri, Whole Time Director
Mr. Ajay Kumar Sharma, Chief Financial Officer
Mr. Vipul Kumar Srivastava, Company Secretary

Dr. Morepen Limited
Mr. Varun Suri, MD
Mr. Ajay Sharma, Director & Chief Financial Officer
Mr. Vipul Kumar, Company Secretary

Morepen Rx Limited
Mr. Varun Suri, Director

3. Relatives of Key Management personnels with whom the company has any transaction during the year

Mrs. Shalu Suri, Ms. Anandi Suri,
Mrs. Amita Sharma, Ms. Sara Suri.

4. Entities over which key management personnel/ or Relatives of key management personnel are able to exercise significant influence with which the company has any transactions during the year

Edit 25 Lifestyle Private Limited
Dr. Morepen Limited (from August 1, 2025)
Quickmed Private Limited (from August 1, 2025)
Groom Town Pvt. Ltd.
Happier Life Pvt. Ltd.
Morepen Proprietary Drug Research Private Limited
Solace Investments & Financial Services Private Limited
Square Investments & Financial Services Private Limited
Concept Credits and Consultants Private Limited
Medsin City Private Limited

5. Other entities / persons : (Persons and entities where persons under Ind AS 24 para 9(a) hold significant influence, control, joint control or acts as KMP)

Mr. Anubhav Suri, Mr. Kushal Suri,
Mrs. Sunita Suri, Mrs. Mamta Suri,
Mrs. Sakshi Suri, Mrs. Suhina Suri
Mrs. Bavleen Suri, Mr. Rajas Suri,

Transactions with related parties -

Particulars	Nature of transaction	(Rs. in Lakhs)
1. Subsidiary Companies	Subscription of Shares	-
	Share Application Money	-
2. Key Management Personnel	Remuneration	810.95
	Amount payable as on 31.03.26	24.10
	Maximum amount outstanding	90.73
3. Relatives of key Management personnels with whom the company has any transaction during the year	Remuneration	229.70
	Amount payable as on 31.03.26	12.87
	Maximum amount outstanding	19.92
4. Entities over which key management personnel/ or Relatives of key management personnel are able to exercise significant influence with which the company has any transactions during the year	Remuneration	8.87
	Remuneration Payable	1.06
	Remuneration Payable Maximum Balance	1.10
	Goods & Services - Receipt	1307.53
	Purchase of inventories	19.90
	Sale of Equity Shares of Dr. Morepen Ltd.	3064.59
	Business Support Services - Sale	218.34
	Sale of Inventories	4924.91
	Reimbursement of expenses	215.74
	Trade advance adjusted/ returned	75.00
	Amount receivable as on 31.03.26	16.89
	Amount payable as on 31.03.26	1151.78
	Maximum Payable Balance	1778.65
5. Other entities / persons : (Persons and entities where persons under Ind AS 24 para 9(a) hold significant influence, control, joint control or acts as KMP)	Remuneration	1296.82
	Amount Payable as on 31.03.26	350.33
	Maximum amount outstanding	389.98

- Remuneration paid to employees of Morepen Laboratories Ltd. and its KMPs of the subsidiaries, is not included in the above details. The above details also do not include retail purchases from the company made by related parties.
- Inter-company transactions among the parent company and its subsidiaries relating to sales, purchases, charges, and services have been eliminated upon consolidation of the accounts.

32. EARNING PER SHARE (EPS)

Particulars	Year Ended	
	31.03.2026	31.03.2025
Profit/ (Loss) after Tax (₹ in Lakh)	9487.68	11802.04
Earning per Share in rupees (Face value ₹2/- per share)		
Weighted average number of equity shares outstanding	547953699	535255319
Basic & Diluted EPS (₹) - (Face value ₹2/- per share)	1.73	2.20

The consolidated basic and diluted earnings per share for the year, after excluding the impact of the exceptional item amounting to ₹2582.54 Lacs, is at ₹1.32 per equity share.

33. IMPAIRMENT

It is the view of management that there are no impairment conditions that exist as on 31st March, 2026. Hence, no provision is required in the accounts for the year under review.

34. INCOME TAXES

(₹/Lakhs)

For the year ended	31.03.2026	31.03.2025
A. Current Tax and Deferred Tax Expense		
Income taxes recognised in the statement of profit and loss including Other Comprehensive Income (OCI)-		
(i) Profit and Loss Account		
Current tax	1592.87	3242.49
Earlier Years taxes	(13.15	-
Deferred tax expense	847.63	472.71
Total income tax expenses	2427.35	3715.20
Current year tax expense includes a sum of ₹15.67 Lacs attributable to the exceptional item amounting to ₹109.59 Lacs.		
(ii) Other Comprehensive Income		
Tax impact of Items that will not be reclassified to Profit & Loss	100.59	-
	100.59	-
B. Deferred Tax Assets (Net)		
Deferred Tax Liabilities	3116.93	2261.88
Tax impact on cumulative unrealised gains	28.09	-
Deferred Tax Assets	1599.74	1564.22
Deferred tax Liabilities/(Assets) (Net)	1545.29	697.66
Tax impact of Items that will not be reclassified to Profit & Loss	100.59	-
	1645.88	697.66

Deferred Tax Liabilities are presented are net of deferred tax assets of ₹1.57 Lakhs in respect of foreign operations, being non material.

Major Components of Deferred Tax Assets (Net) arising on account of temporary difference and movements thereof are given below -

(₹ in Lakhs)

	Year Ended 31.03.2026	Year Ended 31.03.2025
(i) Profit and Loss Account		
Deferred tax Liabilities -		
Domestic companies -		
PP&E depreciation and intangible Amortisation	12384.52	8987.13
Total	12384.52	8987.13
Tax Rate	25.168%	25.168%
Tax Amount	3116.93	2261.88
Domestic companies -		
Deferred Tax Assets -		
Retirement benefits & Leave Encashment	5001.55	4423.03
Provisions deductible for tax purposes in future periods	75.52	136.67
Lease Liabilities	1272.93	1655.42
Total	6350.00	6215.12
Tax Rate	25.168%	25.168%
Tax Amount	1598.17	-
Foreign operations -		
Deferred Tax Assets - foreign operations	17.83	-
Tax Rate	9.00%	25.168%
Tax Amount	1.57	-
Total Domestic companies & Foreign companies	1599.74	
(ii) Other Comprehensive Income (OCI)		
Tax impact on Items that will not be reclassified to Profit & Loss		
Re-measurement (gain)/loss on Defined Benefit Plans	(3.57)	-
Tax expense	(0.92)	-
Net	(2.65)	-
Tax Rate	25.17%	-
Fair value changes on Equity Instruments through OCI	709.83	-
Deferred Tax expense	101.51	-
Net	608.32	-
Tax Rate	14.30%	-
Cumulative Value of Items that will not be reclassified to Profit & Loss	706.26	-
Tax Amount	100.59	-

C. Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India

(1) Profit before tax	9409.46	15510.94
(2) Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(3) Tax on accounting profit (3)=(1)*(2)	2368.17	3903.79
(4) (i) Tax on expenses not tax deductible		
A. CSR Expenses	61.72	56.66
B. Provisional Expenses (includes expenses disallowed u/s 43B, Gratuity and provision for doubtful debts and provision for interest on income tax)	199.51	177.51
C. Depreciation as provided in books of accounts	737.63	615.16
D. Disallowance of notional interest on lease liabilities	32.93	38.48
E. Expenses not deductible u/s 37	29.31	53.92
(ii) Tax on deductible expenses		
A. Depreciation as per Income Tax Act, 1961	(1484.56)	(983.88)

(₹ in Lakhs)

	31.03.2026	31.03.2025
B. Other Comprehensive Income - Remeasurement of defined benefit obligations	0.90	(5.80)
C. Expenses allowable on payment basis (includes gratuity payments and payments made u/s 43B)	(54.80)	(67.04)
D. Tax effect on notional interest income	(7.48)	(5.62)
E. Expenses deductible towards actual lease payments.	(236.78)	(208.02)
(iii) Effect of current tax related to earlier years	-	-
(iv) Reversal of deferred tax liability on account of changes in timing differences and deductible temporary differences	847.63	472.71
(v) Tax effect of losses of subsidiaries on which no deferred tax benefit is recognised	32.44	1.19
(vi) Tax effect on account of carry forward losses of earlier years	(31.40)	(228.74)
(vii) Tax effect on account of tax rates as per tax laws pertaining to foreign subsidiary	(1.27)	(50.20)
(viii) Tax impact on cumulative unrealised gains	(28.43)	-
(ix) Tax effect on account of other items	(40.69)	(54.94)
Total effect of tax adjustments [(i) to (ix)]	56.66	(188.59)
(5) Tax expense recognised during the year (5)=(3)+(4)	2424.83	3715.20
(6) Effective tax rate (6)=(5)/(1)	25.77%	23.95%

The parent company and sum of its subsidiaries have opted to pay the tax under section 115BAA of the Income Tax Act, 1961. Accordingly the provision for current and deferred tax has been determined at the rate of 25.17%

35. OTHERS SIGNIFICANT DISCLOSURES

a) In the opinion of directors, all assets stated otherwise have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.

b) Balances of Non-current liabilities, Current liabilities, Long terms loans and advances, Trade receivables, Short term loans and advances and banks are subject to confirmation.

c) Sales Tax assessments for earlier years are in progress. Demand, if any, shall be known & accounted for, on the completion of assessments.

d) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.

e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

36. Dividend

The Board of Directors at their meeting held on 26th May, 2026 recommended a final dividend of ₹0.20/- per share, for the financial year ending March 31, 2026. Final dividend proposed by the Board of Directors is recognized upon approval by the members shareholders, at the forthcoming Annual General Meeting, who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors.No dividend shall be payable in respect of 50,62,872 equity shares that had been surrendered by members (erstwhile fixed deposit holders) to the Company for cancellation and had claimed refund of their fixed deposit dues in lieu thereof, in accordance with the order passed by the Hon'ble National Company Law Tribunal (NCLT), Chandigarh, dated March 12, 2018. These shares have been cancelled by the Board of Directors of the Company and are pending for cancellation by the Stock Exchanges.

37. Corporate Social Responsibility (CSR)

a) During the financial year ended March 31, 2026, CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof was ₹244.03 Lakh (Previous year ₹225.11 Lakh).

b) During the year the Company has made an expenditure of ₹245.25 Lakh (Previous year ₹225.51 lakh) related to CSR.

c) Details of CSR expenditure incurred during the year ended March 31, 2026 is as below :-

(₹in Lakhs)

	31.03.2026	31.03.2025
CSR activity		
- Promotion of Healthcare	55.55	79.00
- Social Infrastructure	54.98	34.21
- Education	112.72	105.30
- Sports	5.85	4.95
- Others	16.15	2.05
Total	245.25	225.51

38. Terms and Conditions of borrowings

A) Long Term Borrowings – (Secured) -Vehicle Loans

These loans are repayable on a monthly basis, secured by way of hypothecation of specific assets purchased under the hire purchase agreement.

(₹in Lakhs)

Particulars	Current	Non Current				Total
Year of Repayment	2026-27	2027-28	2028-29	2029-30	Total	
Annual Repayment Amount (₹in Lakhs)	279.80	279.62	152.56	16.51	448.69	728.49
Annual Rate of Interest (%)	7.77%-9.83%	7.77%-9.83%	7.77%-9.83%	7.77%-9.83%	7.77%-9.83%	

B) Long Term Borrowings – Unsecured

Maturity profile of Unsecured Term Loans outstanding as on March 31, 2026 amounting to ₹15,045.00 Lakhs are set out below :

(₹in Lakhs)

Particulars	Current	Non Current		Total
Year of Repayment	2026-27	2027-28	2028-29	
Annual Repayment Amount (₹in Lakhs)	2134.00	7336.00	5575.00	15045.00
Annual Rate of Interest (%)	7.30% - 9.25%	7.30% - 9.25%	7.30% - 9.25%	7.30% - 9.25%

The above maturity profile represents aggregate repayment obligations in respect of term loans availed from various banks.

During the year, the Company has revised the repayment terms of its term loan availed from Shinhan Bank. As per the revised terms, the loan is now repayable in 11 instalments as against 10 instalments stipulated at the time of initial sanction. Accordingly, the maturity profile of the said borrowing has been revised based on the updated repayment schedule.

C) Short Term Borrowings - Unsecured loans

During the year, the company has availed fresh unsecured loans for funding its working capital requirements which are at interest rates ranging from 7.30% to 9.25%.

During the previous year, the Company had availed a demand loan facility of ₹276.50 lakhs from Punjab National Bank, secured against term deposits. During the year ended 31 March 2026, the said demand loan facility has been converted into an overdraft facility with the same bank. The overdraft facility continues to be secured against the underlying term deposits and carries interest in line with the applicable terms of the bank.

D) Short Term Borrowings - Working Capital Demand Loan

During the year, the Company has obtained fungible working capital facilities from Qatar National Bank aggregating to ₹5000.00 lakhs, comprising a Working Capital Demand Loan (WCDL) facility and an Export Credit Facility. The facilities are repayable on demand or at maturity of individual drawdowns, whichever is earlier, with drawdowns having tenors of up to 90 days (WCDL) and 180 days (export credit facility).

The borrowings carry interest linked to benchmark rates, being MCLR plus applicable margin for WCDL and Term SOFR plus applicable margin for export credit facility, as agreed with the bank from time to time (approximately 8.00% per annum). The facilities are secured by a first ranking pari passu charge by way of hypothecation over the Company's entire current assets, including stocks, raw materials, work-in-progress, consumables and receivables, both present and future and are further supported by a personal guarantee of the Chairman & Managing Director.

The company has repaid the working capital facilities of ₹9900.00 lakhs availed from Kotak Mahindra Bank. The No Dues for these facilities have been received and all kinds of charge on securities have been discharged.

39. RIGHT OF USE OF ASSETS AND LEASE LIABILITIES

a) The Company has recognised right-of-use assets in respect of leases of office premises and solar installations, which are presented under "Right-of-use assets". The movement in right-of-use assets is disclosed under Note No. 2 – Property, Plant and Equipment. The lease terms relating to office premises generally range from 1 to 10 years, while the lease term relating to solar installations is 5 years.

b) Lease liabilities - The movement in lease liabilities is as given below

(₹ in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Opening balance	2570.25	-
Additions during the year	450.75	3604.98
Interest accreted	159.62	239.51
Lease payments	1178.40	1274.24
Less:-Reduction in Lease Liabilities due to loss of control in subsidiary, Dr. Morepen Limited.	685.75	-
Closing Balance	1316.47	2570.25
* Due to lease		

c) Amounts recognised in Statement of Profit and Loss

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Depreciation on "Right of use" of assets (Refer Note no. 2)	1054.15	1180.02
Interest expense on lease liabilities	159.62	239.51
Expense relating to short term leases	551.33	293.33

d) Other disclosures

- Lease liabilities have been measured at the present value of lease payments using an incremental borrowing rate of 9.25% p.a.

- The Company has not entered into any sub-lease arrangements.

e) Maturity analysis of lease liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Less than 1 year	38.39	0.94
1 - 5 years	1227.43	2509.87
More than 5 Years	50.65	59.44
Total	1316.47	2570.25

f) During the year, the company recognized a sum of ₹1054.15 lakhs towards, annual depreciation and amortization expense on Right-of-Use (RoU) assets. In view of above, annual Rent/Other expenses are lower by ₹1178.40 Lakhs. Further, during the year the company recognized annual interest expense of ₹159.62 lakhs , representing the interest component of lease liabilities calculated using the effective interest rate method. Notional interest income for the current year for ₹33.71 lakhs has been recognised during the year in accordance with Ind AS 109 – Financial Instruments. On account of the above, profit after tax for the year has increased by ₹323.44 lakhs, due to the net impact of amortisation charges, interest expenses and deferred tax assets being offset by rent expenses and interest income.

40. OTHERS SIGNIFICANT DISCLOSURES

a) In the opinion of directors, all assets except stated otherwise have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.

b) Balances of Non-current liabilities, Current liabilities, Long terms loans and advances, Trade receivables, Short term loans and advances and banks are subject to confirmation.

c) Assessments under Indirect Tax Laws for earlier years are in progress. Demand, if any, shall be known & accounted for, on the completion of assessments.

d) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.

e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f) The Government of India has enacted four Labour Codes, namely the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, to consolidate and rationalise existing labour laws. However, the detailed rules and effective dates for implementation of key provisions are yet to be notified. In accordance with Ind AS 19, employee benefit obligations are measured based on laws that are enforceable as at the reporting date. As the relevant provisions of the Labour Codes are not yet operational, the company has continued with the existing accounting treatment at this stage. Accordingly, gratuity and leave encashment continue to be accounted for under the applicable laws. The impact, if any, will be evaluated when the relevant provisions become effective.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2026

	As at 31.03.2026	As 31.03.2025	%age Change
41. Ratios			
Current Ratio	2.37	2.32	2.48%
- Numerator - Current Assets	116361.41	115937.17	
- Denominator - Current Liabilities	49030.21	50065.36	
Inventory turnover Ratio	3.93	4.23	-7.03%
- Numerator - Cost of Goods Sold	112341.65	115930.73	
- Denominator - Average Inventory	28589.56	27427.96	
Trade receivables turnover Ratio (days)	66	65	1.59%
- Numerator - Revenue	180569.15	181157.58	
- Denominator - Average Debtors	32895.05	32485.07	
Trade payables turnover Ratio (days)	84	104	-18.79%
- Numerator - COGS	143196.12	115930.73	
- Denominator - Average Creditors	33017.27	32916.53	
*For current FY capex payables have not been considered			
Debt-Equity Ratio	0.17	0.09	83.46%
- Numerator - Debt	20785.52	10509.52	
- Denominator			
Equity	10958.41	10958.41	
Reserves & Surplus	113906.05	105504.16	
OCI	(220.59)	(839.50)	
Total Equity	124643.87	115623.07	
* Change is due to loans and credit facilities availed during the year from banks.			
Debt Service Coverage Ratio	357.45%	744.36%	-51.98%
- Numerator - EBITDA	17276.84	19243.40	
- Denominator -Total Loan Liability	4833.39	2585.22	
Interest on loans	1529.11	603.49	
Principal loans	3304.28	1981.73	
* Change is due to loans and credit facilities availed during the year from banks.			
Net profit Ratio	5.25%	6.51%	-19.35%
- Numerator - PAT	9487.68	11802.04	
- Denominator - Revenue	180569.15	181157.58	
Return on Equity Ratio (RoE)	7.61%	10.21%	-25.43%
- Numerator - PAT	9487.68	11802.04	
- Denominator -Total Equity	124643.87	115623.07	
* Change is due to lower profits earned during current year as compared to previous year.			

	As at 31.03.2026	As 31.03.2025	%age Change
Net Capital Turnover Ratio	2.71	3.16	-14.27%
- Numerator - Revenue	180569.15	181157.58	
- Denominator -Average Working Capital	66601.50	57285.87	
Return on Capital employed (RoCE)	9.43%	13.11%	-28.04%
- Numerator - EBIT (PBT+Interest)	13633.37	16345.23	
- Denominator - Total Capital Employed	144516.68	124671.90	
* Change is due to lower profits earned during current year as compared to previous year.			
Return on investment (RoI)	4.90%	6.64%	-26.17%
- Numerator - PAT	9487.68	11802.04	
- Denominator - Total Assets	193612.01	177809.93	
* Change is due to lower profits earned during current year as compared to previous year.			

The USFDA approved Plant at Masulkhana

MOREPEN
The Joy Of Growing Together

Morepen Laboratories Limited

(CIN: L24231HP1984PLC006028)

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